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1980 MUTUAL FUND FACT BOOK

INVESTMENT COMPANY INSTITUTE

1775 K STREET, N.W. • WASHINGTON, D.C. 20006

Aims and Purposes of the Investment Company Institute

The Investment Company Institute, formerly the National Association of Investment Companies, was founded in 1941. It represents its members—mutual funds, their investment advisers and their underwriters—and their shareholders in matters of legislation, regulation, taxation, public information and advertising, statistics and economic and market research. The Institute provides a clearinghouse to which interested persons and communications media may turn for information about the mutual fund industry in the United States, and serves as spokesman and fact-finder in many areas affecting its members, their shareholders and the investing public.

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EDITOR'S NOTE

Wherever mutual fund statistics appear in text, charts and tables throughout this volume, money market funds are included only where clearly indicated; i.e., pages 6, 7, 11, 12, 13, 14, 17, 18, 19, 20, 25, 26, 36, 45, 55, 57, 62 & 63. All other mutual fund statistical data excludes that of money market funds.

1979: THE END OF A DECADE OF CHANGE

The year 1979 was characterized by slow economic growth, double-digit inflation, and a declining rate of saving. Economic expansion had been in process for forty-eight months at the start of the year and was beginning to show signs of its ripe old age. In addition, external forces began to undermine its delicate condition.

A severe winter disrupted production and consumption patterns, especially in the agricultural sector. In the spring, labor disputes and rising energy prices contributed to additional economic dislocations. The political upheaval in Iran, concern about the cost and availability of oil, lengthening gas lines, and soaring inflation, all tended to limit spending. Real Gross National Product actually declined in the second quarter.

As the strikes ended and gasoline lines disappeared in the summer, business activity rebounded. Auto sales were boosted by price incentives offered by dealers and manufacturers in an effort to cut inventories. The housing sector also performed better than expected. Mortgage lending was supported by the six-month money market certificates offered by banks and thrift institutions. Inflationary expectations also encouraged spending for housing and other goods and services.

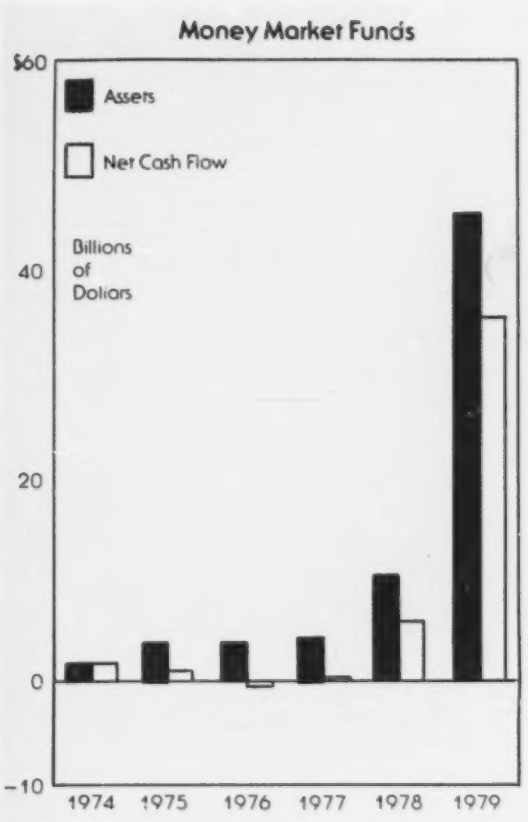
As the year progressed, it became evident that the accumulated effects of inflation had created a "buy-now" psychology. This attitude gave spending a significant boost in the latter part of the year as the public added to its outstanding debt and reduced saving. For the year 1979, saving as a percent of after-tax income fell to 4.5 percent and, in the fourth quarter, dropped to 3.4 percent.

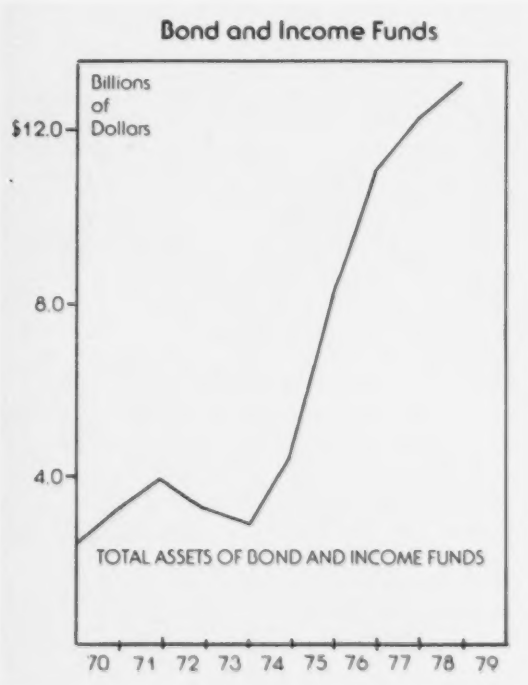
In the fall, inflationary psychology gripped both domestic and international financial markets. In response to the threat of a dollar crisis, the Federal Reserve announced a new set of tough policies. It raised the discount rate, imposed additional reserve requirements, and changed the conduct of monetary management. In essence, the Federal Reserve shifted its strategy from manipulating interest rates to concentrating on the direct control of the supply of bank reserves.

As the year ended, the yield on bank certificates of deposits, commercial paper, and other short-term credit instruments, hit 13 percent—a rate about the equivalent of the inflationary increase in prices. Bond yields resumed their rise in the latter half of 1979, and by the end of the year many bond issues were in the 10 to 11 percent range. Stock prices ended the year on a strong note. The S&P 500 (including dividends) gained 18.5 percent during 1979, while equity mutual funds rose 27.0 percent.

Within this type of economic and financial environment, the public continued to gravitate toward financial assets that offered high yield, liquidity, and safety. Since money market funds embody these characteristics, they were the main growth-beneficiaries. In 1979, when short-term interest rates were in the double-digit range, the net cash flow of money market funds amounted to $33.5 billion, five times greater than the $6.2 billion flow in 1978. The flows in these two years were in sharp contrast to the limited changes in assets in 1975 and 1976 (see chart), when three-month Treasury bills were in the 5.0 percent area.

While high yields on money market funds are an important determinant of asset growth, a number of other forces have also been at work.





A greater public consciousness of the corrosive effects of inflation has forced individuals and institutions to look for investment alternatives. Money market funds, by offering liquidity (without penalties) and relative safety, provide two unique product features at a time when investors are struggling to cope with economic change and uncertainty. These latter two attributes are critical to investors who use money market funds primarily as a "safe harbor" or for cash management purposes, rather than as a longer-term savings vehicle.

Public awareness of money market funds has also grown tremendously over the past five years. Awareness has spread because the media has provided reams of favorable publicity, the funds have been vigorously promoted by registered representatives, and more funds are operating and advertising. At the end of 1979, for example, 76 money market funds were active in the marketplace, compared with only 15 at the end of 1974.

During 1979, the extraordinary growth of money market funds was the primary reason for the net cash flow and asset records posted by the mutual fund industry. Other types of income products, however, also attracted savings on balance. Net cash flow of municipal bond funds, for example, amounted to $1,043 million, while that of other bond and income funds was $643 million.

As the chart shows, total assets of bond and income funds have expanded dramatically since 1976. During that year, a provision in the Tax Reform Act permitted mutual funds to invest in tax-free municipal bonds and "pass through" to their shareholders the tax-exempt status of the income earned. The creation of this new financial product, along with an increase in the number and type of corporate bond funds available to the public was, in essence, the mutual fund industry's response to in-

vestors' strong continued demand for income products.

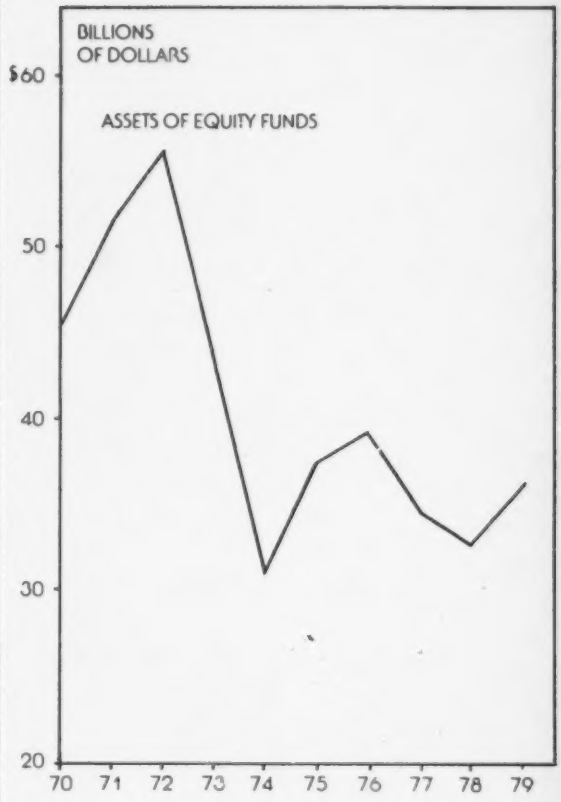
Bond and income funds have enjoyed net sales in each year of the decade of the seventies and, since 1975, sales have exceeded redemptions by a much wider margin than in earlier years. For the five years ending in 1979, bond and income funds had an accumulated cash flow of about $7.5 billion. Largely as a result of this trend, the assets of bond and income funds totalled $13.4 billion at the end of the decade, more than $10.2 billion greater than at the end of 1974.

Equity mutual funds—aggressive growth, growth, growth-and-income, and balanced—did not generate positive cash flow in 1979, even though these funds produced a total return which averaged about 27 percent, twice the rate of inflation. As the chart shows, total assets of equity funds rose slightly in 1979. Since 1974, moreover, total assets have edged higher because rising share prices have more than offset negative cash flow.

The average equity fund, for example, generated a total return of 19 percent per annum during 1975-79, but experienced net redemptions averaging $2 billion per year. Equity sales have changed little since 1974. Redemptions, including those of shareholders 60 years of age and over, have increased dramatically over the past five years. Some of these older investors have presumably achieved their investment objective. Others have simply decided to say "adieu" to equity funds while prices are on the rise and switch to less volatile high-yielding investments.

At the start of the decade, no one could have guessed the magnitude of the changes that would reshape the mutual fund industry. At the end of 1969, the Investment Company Institute tracked 259 mutual funds with assets of $48.3 billion. Ten years later,

Equity Mutual Funds



Mutual Fund Industry Changes

Investment Objective	Number of Funds 1969	Number of Funds 1979	Assets (Billions of Dollars) 1969	Assets (Billions of Dollars) 1979
Aggressive Growth	38	50	$ 2.1	$ 3.0
Growth	105	142	15.8	13.0
Growth and Income	67	76	20.0	16.5
Balance	25	21	6.8	3.4
Income	24	54	3.6	4.5
Bond		54		5.1
Municipal Bond*	—	41	—	3.3
Option-Income*	—	10	—	.5
Total	259	448	48.3	49.3
Money Market*	—	76	—	45.2
Grand Total	259	524	$48.3	$94.5

*Municipal Bond, Option Income and Money Market Mutual Funds did not exist in 1969.

the number of funds reached 524, while total assets almost doubled to $94.7 billion. The structural changes within the industry were even more dramatic than the expansion in the aggregates.

At the end of 1979, the assets of equity funds totalled $35.9 billion compared with $45.6 billion at the end of 1969. Fortunately, growth in assets of other financial products have more than taken up the slack. Two of these products—money market funds and municipal bond funds—were not even conceived at the start of the decade. Now, they account for over 50 percent of total assets, as the table shows.

The decade of the eighties will undoubtedly be as challenging as the seventies. How investors behave in the period ahead will depend not only upon how economic events unfold, but also on how they react to these events. Since investor psychology is both fragile and unpredictable, the mutual fund industry is fortunate that it can offer equity, bond and income, and money market funds. The industry is in a position to meet most any challenge.

MUTUAL FUND SALES AND ASSETS
CLASSIFIED BY INVESTMENT OBJECTIVE

Investment Objective	Sales (Percentage Distribution) 1969	Sales (Percentage Distribution) 1979	Assets (Percentage Distribution) 1969	Assets (Percentage Distribution) 1979
Aggressive Growth	13.2%	9.2%	4.2%	6.0%
Growth	44.6	15.7	32.8	26.4
Growth-&-Income	26.6	14.2	41.4	33.4
Balanced	4.9	2.2	14.1	7.0
Income	10.7	8.6	7.5	9.2
Bond	—	17.1	—	10.3
Municipal Bond	—	31.5	—	6.7
Option Income	—	1.5	—	1.0
Total	100.0%	100.0%	100.0%	100.0%

WHAT IS A MUTUAL FUND?

A mutual fund is a company which combines the investment funds of many people whose investment goals are similar, and in turn invests those funds in a wide variety of securities. The selection and purchase and sale of individual securities by the mutual fund is under the continuous supervision of professional investment managers.

Thus, mutual funds seek to do for the individual what he might do for himself if he had the time, the inclination, the background, the experience and sufficient resources to spread his investment among many businesses.

Different mutual funds have a wide range of investment objectives, management policies and degrees of risk and profit opportunities. Thus, there is a wide spectrum of choice for the investor in establishing a program oriented toward his investment needs.

Some mutual funds, for example, place strong emphasis on capital growth, with current income only a secondary consideration; others stress income, preservation of capital, or seek a fine balance between growth and income to achieve their stated goals.

Whatever the policies and the investor's own objectives, mutual funds offer an investment medium that holds forth the opportunity for the realization of goals such as retirement, college education for children, a hedge against inflation, or other worthwhile and needful requirements.

Since all securities may go either up or down, the mutual fund cannot promise to return a certain number of dollars or pay any specific amount of income.

The common and preferred stocks and corporate and municipal bonds that may be held by these companies are known as "portfolio securities," and, when taken as a whole, are called "the portfolio." Thus, the shares a mutual fund investor owns may represent an indirect interest in the investment results of 50 to 100 or more securities.

Since the interest of shareholders in the mutual fund is based on the number of shares they hold, they participate pro rata according to their shareholdings in the net income and profits or losses from the securities the fund holds. Costs of operation are divided among all shareholders and are deducted from the earnings on the securities held.

Mutual funds provide a wide variety of investment policies suitable for almost any requirements or objectives an investor might have. An investor, of course, should choose a mutual fund whose aims and objectives are similar to his own.

Mutual funds are technically known as open-end investment companies because they stand ready at any time to redeem outstanding shares when presented by the investor. As open-end companies, therefore, the number of their shares is not fixed, with the outstanding total varying as new shares are sold to investors and shares are redeemed upon presentation to the company.

Mutual funds seek to do for the individual what he might do if he had the time, the inclination, the background, experience and sufficient resources to spread his investment among many businesses.

HISTORICAL BACKGROUND

The concept of the mutual fund as it is known and applied today finds its roots some 140 years ago in Europe when William I established in Belgium the "Societe Generale des Pays-Bas pour favoriser l'industrie nationale."

The real pioneer in the field, however, appeared in London in the Foreign and Colonial Government Trust formed in 1868. Its purpose was to provide "the investor of moderate means the same advantages as the large capitalists, in diminishing the risk of investing in Foreign and Colonial Government Stocks, by spreading the investment over a number of different stocks."

Substantial amounts of money invested in British and Scottish investment companies helped finance the development of the American economy after the Civil War. Farm mortgages, railroads and other industries in the U.S. were financed to a large extent by these companies.

Originally called investment trusts, the British organizations later went under the name of investment trust companies. Until 1930 the British companies were all of the closed-end type and once established did not issue new shares. After 1930, open-end companies or mutual funds were founded; today both types flourish in Britain and have spread to many other countries in Europe, Asis, the Far East, Latin America and Canada.

With the growth of the American economy in the late 19th century and the beginning of the 20th century, many types of financial institutions appeared on the scene to provide a means of investment.

As early as 1823 a New England life insurance company had features that resembled those of an investment company. Throughout the 19th century farm mortgage companies and building and loan associations emphasized the principle of diversification of investment as a method of reducing the risk to participating investors.

Over the years, toward the close of the 19th century, investment companies were founded in Boston, New York, Philadelphia and other cities. They were established by bankers, brokers, investment counsel and others who saw the need of making diversification and professional financial management available to investors of moderate means.

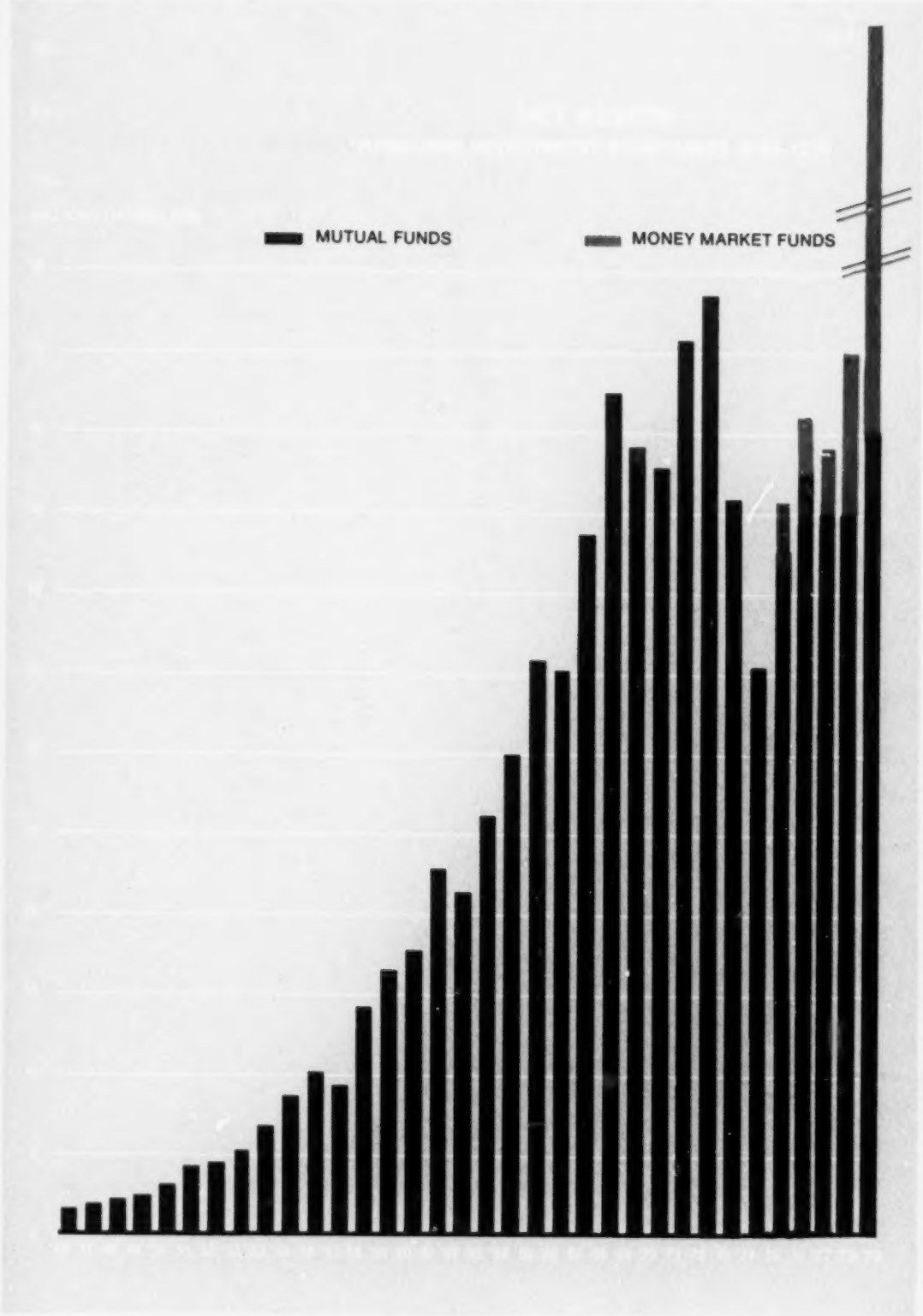
The establishment of several solidly organized companies in the 1920s by experienced and competent financiers inspired the rise of many others, not so conservatively constructed. Like scores of other financial and industrial organizations, many of the latter did not survive the impact of the 1929 crash. The better organized and soundly conceived and operated companies—including all the open-end, or mutual fund, companies then in existence—continued to grow over the years and maintained their pattern of service to the American investor.

By 1936, under a Congressional mandate, the Securities and Exchange Commission launched a study of investment companies which culminated in the Investment Company Act of 1940. This Act was designed to provide statutory safeguards for the investor. Its enactment provided a framework within which the mutual fund industry has grown substantially during the past four decades.

SHAREHOLDER ACCOUNTS AND TOTAL NET ASSETS, 1960-1979

Calendar Year End	Number of Reporting Funds	Number of Accounts (In Thousands)	Assets (In Billions of Dollars)
1960	161	4,897.6	$17.0
1961	170	5,319.2	22.8
1962	169	5,910.5	21.3
1963	165	6,151.9	25.2
1964	160	6,301.9	29.1
1965	170	6,709.3	35.2
1966	182	7,701.7	34.8
1967	204	7,904.1	44.7
1968	240	9,080.2	52.7
1969	269	10,391.5	48.3
1970	361	10,690.3	47.6
1971	392	10,901.0	55.0
1972	410	10,635.3	59.8
1973	421	10,330.9	46.5
1974			
Mutual Funds	416	9,970.4	34.1
Money Market Funds	15	103.8	1.7
1975			
Mutual Funds	390	9,712.5	42.2
Money Market Funds	36	208.8	3.7
1976			
Mutual Funds	404	8,879.4	47.6
Money Market Funds	48	180.7	3.7
1977			
Mutual Funds	427	8,515.1	45.0
Money Market Funds	50	177.5	3.9
1978			
Mutual Funds	444	8,190.6	45.0
Money Market Funds	61	467.8	10.9
1979			
Mutual Funds	448	7,485.4	49.3
Money Market Funds	76	2,307.9	45.2

NOTE: Figures for shareholder accounts represent combined totals for member companies. Duplications have not been eliminated.


MUTUAL FUNDS
MONEY MARKET FUNDS

GROWTH AND DEVELOPMENT

The past 39 years have seen the mutual fund industry grow and develop at an extraordinary rate. From 1940 through 1979:

The number of publicly offered mutual funds grew from approximately 70 to more than 700;

Mutual fund assets, including money market funds, grew from under $500 million to nearly $95 billion;

Shareholder accounts grew from 300,000 to more than 9.8 million, representing an estimated 8.6 million individual shareholders.

Dividends and capital gains distributions to shareholders increased from $20 million in the year 1940 to more than $8.9 billion in the year 1979.

Total distributions to shareholders of American mutual funds from 1924 to the end of 1979 exceeded $54 billion, of which more than $30 billion was in dividends and $24 billion in capital gains.

Of the more than 700 funds in existence in 1979, 524 funds (representing 93.8 percent of mutual fund industry assets) reported to the Investment Company Institute. Of those reporting, 312 had been in operation for seven years or longer and 202 for more than 12 years.

By year end 1979, 252 mutual funds had assets exceeding $50 million, 82 funds had assets greater than $250 million, 43 funds had assets greater than $500 million and 21 funds had assets of more than $1 billion each.

The size of a fund's assets depends on both the inflow of new investment dollars and on fluctuations in the value of the securities in its portfolio. Thus, mutual funds owe their rapid growth to continuing new purchases of fund shares by the investing public and to the long-term uptrend of securities prices.

As the funds grew, so the many shareholder services expanded. One of the most popular—the monthly withdrawal plan—grew from 30,000 in 1961 to over 143,000 by 1979.

Since all mutual funds offer their shareholders liquidity through redemption (buying back) of their shares, new investment dollars to offset this depletion are obtained through the continuous sale of new shares.

In 1979, investors bought $119.5 billion of new mutual fund shares compared with $37.2 billion in 1978, $4.6 billion in 1970, $2.1 billion in 1960 and $50 million in 1940. Redemptions in 1979 totaled $86.9 billion compared with $31.5 billion in 1978, $3 billion in 1970, $842 million in 1960 and $35 million in 1940.

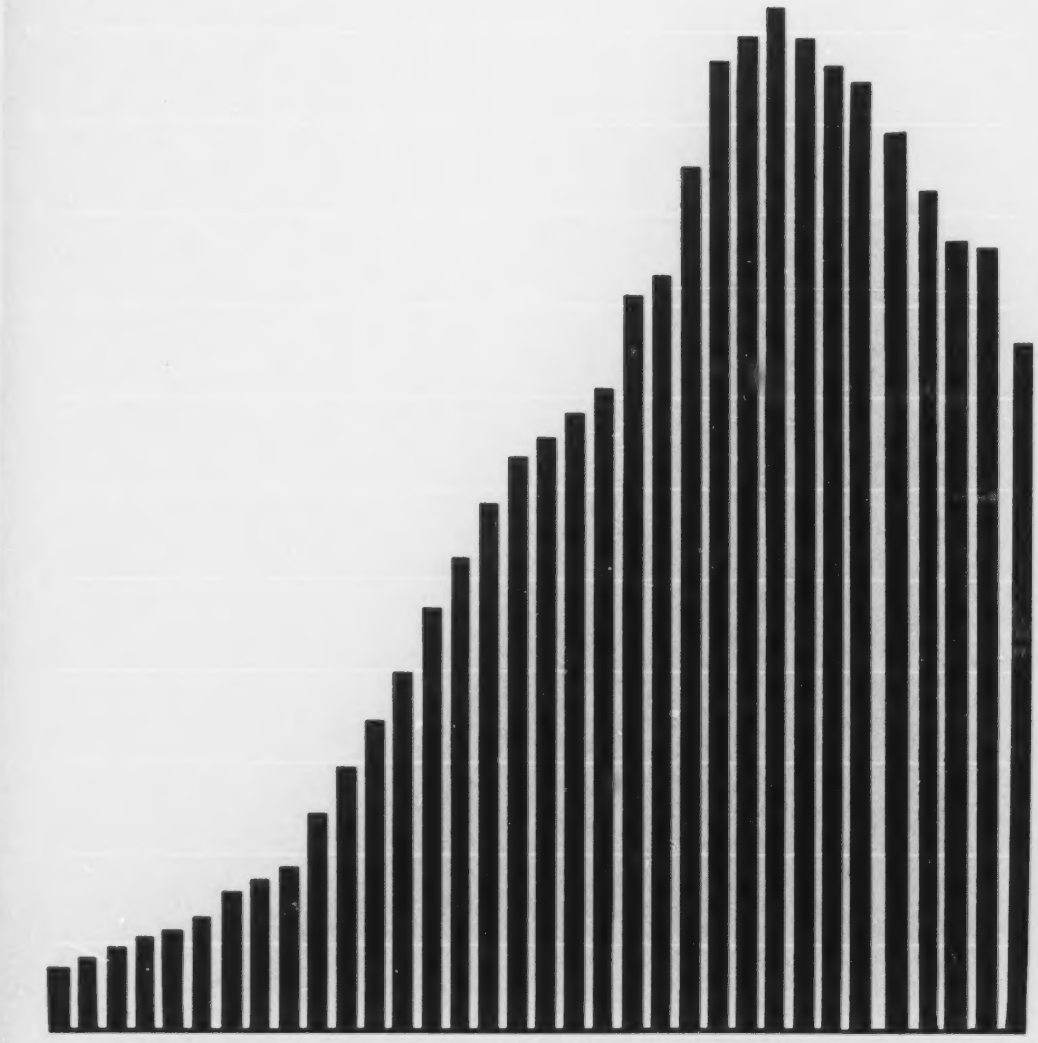
Mutual funds provide a wide variety of investment policies suitable for almost any requirements or objectives an investor might have.

MUTUAL FUNDS, CAPITAL CHANGES, 1960-1979

(In Millions of Dollars)

Calendar Year	Sales of Own Shares	Repurchases of Own Shares	Net Increase
1960	$ 2,097.2	$ 841.8	$ 1,255.4
1961	2,950.9	1,160.4	1,790.5
1962	2,699.0	1,122.7	1,576.4
1963	2,459.1	1,505.3	953.8
1964	3,403.0	1,874.1	1,528.9
1965	4,358.1	1,962.4	2,395.7
1966	4,671.8	2,005.1	2,666.8
1967	4,669.6	2,744.2	1,925.4
1968	6,819.8	3,838.7	2,981.1
1969	6,718.3	3,661.6	3,056.6
1970	4,625.8	2,987.6	1,638.2
1971	5,147.2	4,750.2	397.0
1972	4,892.5	6,562.9	(1,670.7)
1973	4,359.3	5,651.1	(1,291.8)
1974			
Mutual Funds	3,091.5	3,380.9	(289.5)
Money Market Funds	2,229.2	556.0	1,673.1
1975			
Mutual Funds	3,307.2	3,686.3	(379.1)
Money Market Funds	6,843.2*	5,966.2*	877.0
1976			
Mutual Funds	4,360.3	6,801.2	(2,440.9)
Money Market Funds	9,360.9*	9,609.2*	(248.3)
1977			
Mutual Funds	6,399.7	6,026.0	373.7
Money Market Funds	10,673.0*	10,662.7*	10.3
1978			
Mutual Funds	6,705.3	7,232.4	(527.1)
Money Market Funds	30,452.2	24,294.5	6,157.8
1979			
Mutual Funds	7,465.5	8,379.6	(914.1)
Money Market Funds	111,855.1	78,363.4	33,491.7

*A small percentage of funds report assets and liquid assets but not sales and redemptions. In the interest of comparability, these latter two sets of figures have been adjusted upward.



RELATION OF MUTUAL FUND ASSETS TO NEW YORK STOCK EXCHANGE MARKET VALUE OF ALL LISTED SHARES

ANNUALLY, 1950-1979
(Dollar Figures in Millions)

Year	Market Value of all N.Y.S.E. Listed Shares	Mutual Fund Assets		Mutual Fund Assets As Percentages	
		Total	In N.Y.S.E. Listed Stocks (estimated)	Total	In N.Y.S.E. Listed Stocks (estimated)
1950	$ 93,807	$ 2,531	$ 1,797	2.70%	0.92%
1951	109,484	3,130	2,222	2.86	2.03
1952	120,536	3,931	2,791	3.26	2.32
1953	117,257	4,146	2,944	3.54	2.51
1954	169,149	6,109	4,337	3.61	2.56
1955	207,699	7,838	5,565	3.77	2.68
1956	219,176	9,046	6,423	4.13	2.93
1957	195,570	8,714	6,187	4.46	3.16
1958	276,665	13,242	9,408	4.79	3.40
1959	307,708	15,818	11,231	5.14	3.65
1960	306,967	17,026	12,088	5.55	3.94
1961	387,841	22,789	16,179	5.88	4.17
1962	345,846	21,271	15,102	6.15	4.37
1963	411,318	25,214	17,902	6.13	4.35
1964	474,322	29,116	20,672	6.14	4.36
1965	537,481	35,220	24,992	6.55	4.65
1966	482,541	34,829	27,100	7.22	5.62
1967	605,817	44,701	37,200	7.38	6.14
1968	692,337	52,677	44,100	7.61	6.37
1969	629,453	48,291	39,100	7.67	6.21
1970	636,380	47,618	39,000	7.48	6.13
1971	741,827	55,045	46,800	7.42	6.31
1972	871,540	59,831	46,090	6.86	5.29
1973	721,012	46,519	34,143	6.44	4.74
1974	511,100	34,062	23,902	7.00	4.68
1975	685,110	42,179	30,544	6.16	4.46
1976	858,300	47,582	34,032	5.54	3.97
1977	796,640	45,049	28,286	5.65	3.55
1978	822,740	44,980	29,145	5.47	3.54
1979	960,610	49,297	32,618	5.13	3.40

NOTE: Comparison of open-end assets to market value of shares listed on the New York Stock Exchange has been made to utilize available uniform data in illustration of the relative size of investment companies. These investment companies also invest in issues traded on other exchanges and over-the-counter markets, which are not listed on the New York Stock Exchange and may purchase or sell issues listed on the New York Stock Exchange in other securities markets.

A SERVICE INDUSTRY

Mutual fund shares may be characterized in terms of "convenience of share-ownership" because of the variety of services which mutual funds offer their shareholders.

Single Purchase: When an investor buys shares in a mutual fund, his purchase represents a diversified list of securities, indicating his fractional holding in perhaps 50 or 100 or more corporations.

The convenience of a single certificate, embodying a stake in scores of companies, simplifies record keeping and accounting. Nowadays, an increasing number of funds will furnish the shareholder with a simple account statement in place of the formal certificate. This relieves shareholders of the problem and expense of safekeeping the valuable certificates.

Income Dividends: After the investor has made his mutual fund purchase, he receives, usually on a quarterly basis, the varying amounts of income received from dividends and interest on the fund's portfolio securities, after deducting operating expenses.

In 1979 mutual fund shareholders received $5.2 billion in investment income dividends, bringing the total in such payments since the first U.S. mutual fund was formed in 1924 to $30.4 billion.

Capital Gains Distributions: Mutual funds may also distribute to shareholders, on a yearly basis, net long-term profits realized upon the sale of portfolio securities when and if they occur. These payments are called capital gains distributions.

Capital gains disbursed to mutual fund shareholders in 1979 amounted to $930 million. A total of $20.9 billion in net realized capital gains has been distributed to shareholders since 1924.

Automatic Reinvestment: Most mutual funds also offer shareholders plans for the automatic reinvestment of investment income dividends and capital gains distributions. In addition, most mutual funds distribute

REINVESTMENT OF INVESTMENT INCOME DIVIDENDS
ANNUALLY, 1960-1979
(In Millions of Dollars)

Year	Investment Income Dividends	Reinvested Investment Income Dividends	Percentage of Reinvestment
1960	$ 479.8	$ 196.1	40.9 %
1961	520.4	213.8	41.1
1962	552.7	255.3	46.2
1963	587.8	285.3	48.5
1964	694.6	363.8	52.4
1965	797.3	432.2	54.2
1966	875.1	488.9	55.9
1967	962.0	545.6	56.7
1968	1,014.1	632.9	62.4
1969	1,181.7	688.4	58.3
1970	1,141.1	785.0	55.5
1971	1,330.7	749.6	56.3
1972	1,286.6	692.0	53.8
1973	1,300.2	708.5	54.5
1974*	1,582.7	892.7	56.4
1975*	1,627.4	1,108.5	68.1
1976*	1,725.5	1,088.0	63.1
1977*	1,913.3	1,258.7	65.8
1978*	2,468.2	1,759.4	71.3
1979*	5,166.6	3,734.8	72.3

*Includes Money Market Funds

net realized long-term capital gains through the medium of an optional stock dividend, by which the shareholder may receive stock at net asset value and thus keep his share of the gains at work in the company, or he may elect to receive cash.

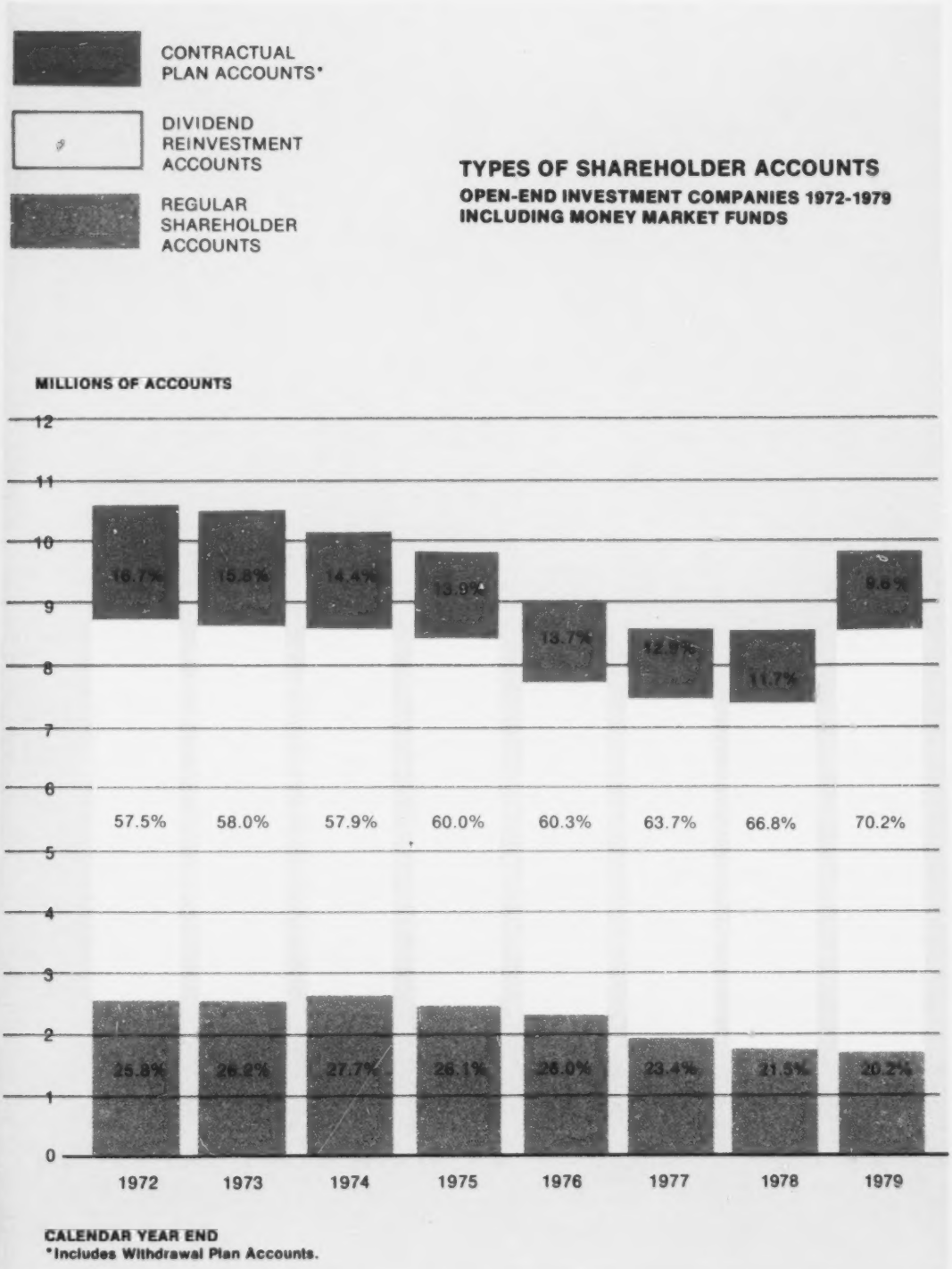
Of the approximately $5.2 billion they received in investment income dividends in 1979, shareholders took shares instead of cash amounting to $3,735 million or about 72.3 percent. In 1955, the first year that such figures were available, in dollar amount of dividend reinvestment, shareholders put back into mutual fund shares a total of only $61.8 million, or 25.6 percent, of the total of $240 million

MUTUAL FUNDS' DISTRIBUTIONS TO SHAREHOLDERS, 1955-1979

(In Millions of Dollars)

Year	Distributions From Net Investment Income	Distributions From Net Realized Capital Gains
1955	$ 240.0	$ 220.0
1956	284.7	293.0
1957	322.4	283.5
1958	372.3	267.0
1959	419.0	427.4
1960	479.8	415.4
1961	520.4	498.6
1962	552.7	502.4
1963	587.8	471.3
1964	694.6	555.6
1965	797.3	939.8
1966	875.1	1,318.5
1967	962.0	1,689.6
1968	1,014.1	2,400.0
1969	1,181.7	2,536.5
1970	1,414.1	922.1
1971	1,330.7	775.5
1972	1,286.6	1,402.6
1973	1,300.2	943.3
1974		
Mutual Funds	1,553.2	484.3
Money Market Funds	29.5*	
1975		
Mutual Funds	$1,449.1	$219.2
Money Market Funds	178.3	
1976		
Mutual Funds	1,580.0	470.9
Money Market Funds	145.5	
1977		
Mutual Funds	1,789.7	634.8
Money Market Funds	123.6	
1978		
Mutual Funds	2,116.0	710.6
Money Market Funds	352.2	
1979		
Mutual Funds	2,454.0	929.9
Money Market Funds	2,712.6	

*Fourth quarter 1974 total only


CONTRACTUAL PLAN ACCOUNTS*
DIVIDEND REINVESTMENT ACCOUNTS
REGULAR SHAREHOLDER ACCOUNTS
TYPES OF SHAREHOLDER ACCOUNTS
OPEN-END INVESTMENT COMPANIES 1972-1979
INCLUDING MONEY MARKET FUNDS
MILLIONS OF ACCOUNTS
12
11
10
9
8
7
6
5
4
3
2
1
0
16.7%
15.8%
14.4%
13.9%
13.7%
12.9%
11.7%
9.6%
57.5%
58.0%
57.9%
60.0%
60.3%
63.7%
66.8%
70.2%
25.8%
26.2%
27.7%
26.1%
26.0%
23.4%
21.5%
20.2%
1972
1973
1974
1975
1976
1977
1978
1979
CALENDAR YEAR END
*Includes Withdrawal Plan Accounts.

TYPES OF SHAREHOLDER ACCOUNTS
(In Thousands) 1975-1979

Year End	Total Shareholder Accounts	Regular Accounts	Accounts with Automatic Dividend Reinvestment	Contractual Accumulation Plans	Contractual Single Payment Plans	Withdrawal Accounts
			NUMBER			
1975						
MUTUAL FUNDS	9,667	2,536	5,766	1,029	126	210
MONEYMARKET FUNDS*	164	28	135	—	—	1
1976						
MUTUAL FUNDS	8,879	2,322	5,325	930	112	190
MONEYMARKET FUNDS*	155	30	124	—	—	1
1977						
MUTUAL FUNDS	8,515	2,008	5,387	844	101	175
MONEYMARKET FUNDS*	141	16	124	—	—	1
1978						
MUTUAL FUNDS	8,068	1,766	5,314	757	75	156
MONEYMARKET FUNDS*	381	47	333	—	—	1
1979						
MUTUAL FUNDS	7,486	1,704	4,901	677	64	140
MONEY MARKET FUNDS*	1,691	147	1,541	—	—	3
			PERCENT			
1975						
MUTUAL FUNDS	100.0	26.2	59.7	10.6	1.3	2.2
MONEYMARKET FUNDS	100.0	17.1	82.3	—	—	0.6
1976						
MUTUAL FUNDS	100.0	26.1	60.0	10.5	1.3	2.1
MONEYMARKET FUNDS	100.0	19.4	80.0	—	—	0.6
1977						
MUTUAL FUNDS	100.0	23.6	63.3	9.9	1.2	2.0
MONEY MARKET FUNDS	100.0	11.4	87.9	—	—	0.7
1978						
MUTUAL FUNDS	100.0	21.6	64.9	9.2	2.4	1.9
MONEY MARKET FUNDS	100.0	12.3	87.4	—	—	0.3
1979						
MUTUAL FUNDS	100.0	22.8	65.5	9.0	0.8	1.9
MONEY MARKET FUNDS	100.0	8.7	91.1	—	—	0.2

NOTE: Automatic dividend reinvestment accounts do not include accumulation plans and contractual single payment plans, the great bulk of which also reinvest all distributions. Minor adjustments in prior years have been made as between types of accounts.

*Total money market shareholder accounts shown above will be slightly less than total accounts in force as not all of the funds supply a breakdown by type of account.

which mutual funds paid out that year in dividends.

Similarly, of the $930 million paid out to shareholders as capital gains in 1979 over 72.8 percent was put back into mutual fund shares.

A widely-recognized benefit accruing from regular period investment is dollar-cost averaging. This is a process whereby the shareholder invests identical amounts of money in shares of a given security at regular intervals. Thus, he buys more shares when prices are down, and fewer shares when the prices are high. While the process can neither assure him of a profit nor of protection against loss when stock prices decline, the pur-

CASH DIVIDEND PAYMENTS OF ALL CORPORATIONS AND MUTUAL FUNDS
ANNUALLY 1955-1979
(Dollar Figures in Millions)

Year	All Corporations	Mutual Funds	Mutual Fund Dividends As A Percent of Corporate Dividends
1955	$ 10,311	$ 240	2.33%
1956	11,085	285	2.57
1957	11,514	322	2.80
1958	11,304	372	3.29
1959	12,171	419	3.44
1960	12,890	480	3.72
1961	13,347	520	3.90
1962	14,410	553	3.84
1963	15,504	588	3.79
1964	17,325	695	4.01
1965	19,120	797	4.17
1966	19,439	875	4.50
1967	20,103	962	4.79
1968	21,943	1,014	4.62
1969	22,592	1,182	5.23
1970	22,884	1,414	6.18
1971	22,982	1,331	5.79
1972	24,597	1,287	5.23
1973	27,822	1,300	4.67
1974	31,075	1,583	5.09
1975	32,100	1,627	5.07
1976	35,800	1,726	4.82
1977	43,700	1,913	4.38
1978	47,200R	2,468	5.23R
1979	52,700P	5,167	9.80

Source: Survey of Current Business
R—Revised P—Preliminary

chase of more shares at lower than at higher prices will reduce the average cost of purchases made.

Contractual Plans: In a contractual plan an investor agrees to invest a fixed amount on a regular basis for a specified number of years. Designed as a program for the accumulation of mutual fund shares, a contractual plan should be considered as a long-term investment program, practical and convenient for accumulating capital where the objective is retirement, building an estate, or providing funds for the education of children. Since the distribution charge is deducted primarily against early payments, it is important that the plan be carried through since termination in the early years could result in a proportionately higher sales charge.

Withdrawal Plans: Many mutual funds offer a service whereby shareholders may receive payments from their investment at regular intervals. These may be in fixed amounts or calculated on one of several other bases. Withdrawal accounts are designed for those who wish to supplement their income for current needs, or to meet commitments of a specific nature. Generally some of the capital of the account must be withdrawn to make up the payments. There is usually a minimum investment amount required to start a withdrawal plan. The most salient feature of such plans is that the balance of the principal remains fully invested and always at work for the individual. However, since withdrawal plan payments may entail a return of part of the capital at work, the investor should be aware of the fact and its extent.

Exchange Privilege: The exchange privilege enables a shareholder to transfer his investment from one fund to another within the same fund group as his needs or objectives change. For instance, an individual may have invested in a fund for growth of capital over the years, and, upon retirement, his objective becomes one of current investment income which is more suitably achieved by a fund stressing current income. Usually, exchanges are allowed at a fee that approximates the cost of the mechanical process of converting an account.

Ready Market: Open-end companies stand ready to redeem their shares at any time, providing the investor with a ready cash market for his shares. A shareholder can sell any or all of his shares at any time, and does not have to look for a buyer. The fund itself will buy them back usually at the net asset value at time of redemption, which may be lower, the same, or higher than his cost.

The investor has used the redemption privilege at varying rates over the years. As a percentage ratio, redemptions have ranged from a high of 17.5 percent of the industry's average net assets in 1979 to a low of 4.6 percent in 1957. In recent years, the ratio of redemptions to average net assets has shown a somewhat similar pattern, ranging between 6.2 percent and 17.5 percent during the past 10 years.

Custodian: The mutual fund's custodian bank, which is usually under contract to the fund, holds in custody and safekeeping the securities and other assets of the mutual fund. Also, the custodian often acts as the transfer and dividend disbursing agent. However, it plays no part in the management of the fund, nor in the underwriting function.

Taxes: Tax reporting is simplified for the mutual fund shareholder since almost all companies advise the shareholder of the federal tax status of all distributions—investment income or capital gains. This subject is more fully covered on page 33.

Information: The mutual fund, in addition to filing periodic reports with

the Securities and Exchange Commission, informs the shareholder regularly on the operations of the fund and what is being done with his money. Complete information about investment operations is supplied to shareholders at least twice a year, and, for most companies, four times a year. These reports list the names and the amounts of securities held by the fund, show in most cases the major changes in investment since the last report, and contain financial statements, among other details.

Trends: On the basis of recent trends, it appears that investors are becoming increasingly aware of the special services available in mutual funds and are using these services more and more in financial planning.

A significant trend in the past decade has been the use of the exchange privilege. Converting from one fund to another within a fund complex amounted to $503 million in 1969; in 1979 the total was $5,830 million, a ten-fold increase.

Another trend has been the increasing use of automatic dividend reinvestment. In 1955, with a total of 2.1 million shareholder accounts in force only 10.2 percent of the accounts were using the automatic dividend reinvestment feature. In 1979 this had increased to 65.5 percent of 7.5 million accounts excluding money market funds.

To a greater and greater extent, the retail distribution of mutual fund shares is taking on the aspects of financial planning as the basic product is being made more and more adaptable to individual needs.

ANNUAL REPURCHASE (REDEMPTION) RATE, MUTUAL FUNDS 1950-1979

(In Millions of Dollars)

Year	Average Total Net Assets	Own Shares Repurchased	Redemption Rate as a Percent of Average Assets
1950	$ 2,253	$ 281	12.5%
1951	2,831	322	11.4
1952	3,531	196	5.6
1953	4,039	239	5.9
1954	5,128	400	7.8
1955	6,974	443	6.4
1956	8,442	438	5.2
1957	8,880	406	4.6
1958	10,983	511	4.7
1959	14,530	786	5.4
1960	16,422	842	5.1
1961	19,907	1,160	5.8
1962	22,030	1,123	5.1
1963	23,243	1,505	6.5
1964	27,165	1,874	6.9
1965	32,168	1,962	6.1
1966	35,025	2,005	5.7
1967	39,765	2,744	6.9
1968	48,689	3,839	7.9
1969	50,484	3,662	7.3
1970	47,954	2,988	6.2
1971	51,332	4,750	9.3
1972	57,438	6,563	11.4
1973	53,175	5,651	10.6
1974	40,290	3,381	8.4
1975	38,120	3,686	9.7
1976	44,880	6,801	15.2
1977	46,316	6,026	13.0
1978	45,014R	7,232	16.4
1979	47,128	8,380	17.8

NOTE: "Average" Value Assets are an average of values at the beginning of the year and at the end of the year.

R—Revised

MUTUAL FUND SALES[1] AND EXCHANGES[2]
(In Millions of Dollars)

1968-1979

Year	Total Sales	Exchanges	Sales Plus Exchanges	Exchanges as a Percent of Sales Including Exchanges
1968	$ 6,819.8	$ 398.9	$ 7,218.7	5.53%
1969	6,718.3	502.6	7,220.9	6.96
1970	4,625.8	491.9	5,117.7	9.61
1971	5,147.2	534.0	5,681.2	9.40
1972	4,892.5	821.6	5,714.1	14.38
1973	4,359.3	630.8	4,990.1	12.64
1974[3]	5,320.7	508.6	5,829.3	8.72
1975[3]	10,150.4	699.7	10,850.1	6.44
1976[3]	13,721.2	1,520.4	15,241.6	9.98
1977[3]	17,072.7	2,235.4	19,308.1	11.58
1978[3]	37,157.5	3,954.3	41,111.8	9.62
1979[3]	119,320.6	5,829.5	125,150.1	4.66

[1]Sales represent total share issue of mutual funds including reinvested dividends but excluding reinvestment of capital gains, share issue resulting from conversions, and redeposits under single payment contractual plans.

[2]A transfer of funds from one fund in a complex to another fund in the same complex.

[3]Includes Money Market Funds

MUTUAL FUND EXCHANGES BY INVESTMENT OBJECTIVE
YEAR, 1979
(In Millions of Dollars)

Investment Objective	Sales Due To Exchanges	Redemptions Due To Exchanges
Aggressive Growth	$ 670.2	$ 697.6
Growth	666.8	858.1
Growth-and-Income	701.8	907.5
Balanced	7.0	129.3
Income	119.3	190.9
Bond	479.3	299.3
Municipal Bond	401.5	523.4
Option Income	8.4	6.1
Money Market	2,775.2	2,278.6

MUTUAL FUND NET NEW MONEY FLOW RELATED TO NET NEW MONEY FLOW FROM INDIVIDUALS TO SAVINGS AND INVESTMENT VEHICLES

(Dollar Figures in Billions)

1953-1979

Year	Net New Money to Savings and Investment Vehicles[1]	Net New Money to Mutual Funds[2]	Mutual Funds Net New Money as a Percent of Total
1953	$ $22.8R	$ .4	1.8%
1954	22.2R	.5	2.3R
1955	28.0R	.8	2.9R
1956	30.2R	.9	3.0
1957	28.6	1.0	3.5
1958	31.6	1.1	3.5
1959	37.4R	1.5	4.0R
1960	32.5R	1.3	4.0R
1961	35.9R	1.8	5.0R
1962	40.6R	1.6	3.9R
1963	47.3R	1.0	2.1R
1964	56.1R	1.5	2.7
1965	59.0R	2.4	4.1
1966	58.4R	2.7	4.6R
1967	70.4R	1.9	2.7R
1968	76.2R	3.0	3.9R
1969	64.5R	3.1	4.8R
1970	78.8R	1.6	2.0
1971	103.0R	.4	.4
1972	128.8R	(1.7)*	—*
1973	148.5R	(1.3)*	—*
1974	142.4R	1.4	1.0
1975	167.2R	0.5	0.3
1976	208.1R	(2.7)*	—*
1977	241.7R	0.4	0.2
1978	275.3R	5.6	2.0R
1979	280.7	32.6	11.6

[1]From the "FRB Study of the Volume and Composition of Individuals' Savings" as reported in the Statistical Bulletins. Items selected are currency and deposits (including miscellaneous financial assets), savings share, securities, private insurance and pension reserves, and government insurances and pension reserves.

[2]Investment Company Institute members, including money market funds.

*Represents a minus figure.

R—Revised

PROFESSIONAL MANAGEMENT

Full-time professional management of investments is one of the basic characteristics of the mutual fund. The careful selection, diversification and continuous supervision of securities require a high degree of experience and judgment. Variations among investment companies in these factors and in investment objectives can be expected to yield different results.

The frequency and scope of changes in economic conditions affect investment values to an extent which few investors have the time or knowledge to evaluate effectively. Management of a securities portfolio calls for specialized skills, resources of information and facilities, and time to make reasoned investment decisions.

Surveys have shown that doctors, lawyers, engineers, educators and other professionally trained people in executive and administrative work, recognizing the need for professional management of their securities, constitute a significant percentage of all mutual fund shareholders.

The pattern of professional management available to mutual fund shareholders has developed according to principles of sound administrative organization.

Whether the professional services are provided by a separate investment advisory company or trustees under contract to the fund or by investment management staffs employed by the company itself, the pattern of operation is the same. It involves extensive economic and investment research aimed at developing data on which intelligent decisions regarding portfolio securities can be used.

The intense and constant search for the best of relative values is made necessary by the broadness of the market itself. There are approximately 25,000 securities issues available on the organized exchanges and in the over-the-counter markets of the nation, with an estimated value of about $900 billion. It is from among these issues and values that mutual fund companies held assets totalling $55.9 billion at the end of 1978.

Out of all these thousands of securities which are traded on the nation's exchanges and marts, an estimated 4,700 issues—bonds, preferred and common stocks—of more than 3,000 corporations are represented in mutual fund portfolios.

Portfolio transactions conducted by the funds are by no means confined to any single securities market; orders to buy or sell may be executed on all organized exchanges and in the over-the-counter market. Where an order is executed depends solely upon where an issue or issues may be bought or sold on the most favorable basis in the judgment of the management.

The basic element underlying all professional management activities in the supervision of investments is the continuing correlation between portfolio composition and the long-term objectives of the mutual fund and its shareholders.

In the investment research process, experienced analysts conduct a constant appraisal of portfolio securities in terms of three distinct factors. These are: 1) general economic conditions; 2) the outlook for various industries; and 3) the prospects of individual companies, which are analyzed in terms of management, policies, sales and earnings records, competitive position and other factors.

It is on the basis of such appraisals that investment decisions are made

on behalf of mutual funds. For this professional management, individual shareholders pay a fee usually measured by a percentage of the assets under management.

In all cases, the details of professional management services, advisory fees and investment objectives are outlined in the information which each mutual fund makes available through periodic reports to shareholders, and in the prospectus.

Diversification

Diversification is a basic investing principle practiced by investment companies. In the investment com-

MUTUAL FUNDS' PORTFOLIO DIVERSIFICATION

COMMON STOCK HOLDINGS BY INDUSTRIES, 1969-1974-1979

(In Millions of Dollars)

	Market Value 1969	Market Value 1974	Market Value 1979
Agricultural Equipment	$ 79,191	$ 58,397	$ 157,443
Aircraft Mfg. & Aerospace	372,449	190,504	538,512
Air Transport	396,935	283,775	262,176
Auto & Accessories (excl. Tires)	669,843	372,262	278,801
Building Materials & Equipment	1,018,348	488,890	299,414
Chemicals	1,262,480	1,230,401	943,419
Communications (TV, Radio, Motion Pictures)	495,075	281,991	491,251
Containers	364,921	71,649	58,544
Drugs & Comestics	2,030,283	1,612,977	1,236,780
Elec. Equip. & Electronics (excl. TV & Radio)	2,162,687	698,309	1,066,030
Foods & Beverages	967,333	594,274	530,238
Financial (incl. Banks & Insurance)	2,634,921	1,438,553	1,765,184
Machinery	420,604	283,712	181,004
Metals & Mining	877,074	583,437	464,361
Office Equipment	3,261,995	1,420,479	1,416,337
Oil	2,387,958	2,798,983	3,102,196
Paper	695,853	529,635	391,300
Public Utilities (Incl. Telephone & Natural Gas)	2,062,481	966,511	1,011,680
Railroad	403,280	407,794	197,989
Railroad Equipment	62,684	43,179	29,651
Retail Trade	1,419,841	406,650	767,185
Rubber (incl. Tires)	403,558	149,839	59,157
Steel	355,347	370,021	236,867
Textiles	156,024	57,434	18,346
Tobacco	409,157	495,713	346,309
Miscellaneous*	2,458,442	1,373,427	1,377,390
TOTALS	$27,828,764	$17,208,796	$17,227,564

NOTE: Composite industry investments drawn from the portfolios of 40 of the largest investment companies as of the end of calendar year 1979 whose total net assets represented 40.4% of total net assets of all Institute member companies excluding money market funds.

*Includes diversified industrial companies not readily assignable to specific industry categories.

pany context, it means, simply, that the professional managers of mutual funds combine the money of many investors and invest it in many corporations. It is a well-tested method of reducing the risk inherent in all investing.

Application of the basic investment principle of diversification by mutual funds can affect the relative position of the various industries represented in the portfolios. These positions are bound to vary from year to year. For more than 10 years, the three largest positions alternated between public utilities, financial institutions and the oil industry, until 1968 when utilities dropped out of the top three.

MUTUAL FUNDS' PORTFOLIO DIVERSIFICATION

PERCENT OF TOTAL COMMON STOCK BY INDUSTRIES, 1969-1974-1979

	1969	1974	1979
Agricultural Equipment	0.38%	0.34%	0.91%
Aircraft Mfg. & Aerospace	1.40	1.12	3.13
Air Transport	1.49	1.65	1.52
Auto & Accessories (excl. Tires)	2.44	2.16	1.62
Building Materials & Equip.	3.66	2.84	1.74
Chemicals	4.52	7.15	5.48
Communications (TV, Radio, Motion Pictures)	1.93	1.65	2.85
Containers	1.38	0.42	0.34
Drugs & Cosmetics	7.21	9.37	7.18
Elec. Equip. & Electronics (excl. TV & Radio)	7.67	4.06	6.19
Foods & Beverages	3.49	3.45	3.08
Financial (incl. Banks & Insurance)	9.32	8.36	10.25
Machinery	1.57	1.65	1.05
Metals & Mining	3.17	3.39	2.70
Office Equipment	11.42	8.25	8.22
Oil	8.46	16.26	18.01
Paper	2.54	3.07	2.27
Public Utilities (incl. Telephone & Natural Gas)	7.32	5.62	5.87
Railroad	1.51	2.37	1.15
Railroad Equipment	0.32	0.25	0.17
Retail Trade	5.07	2.36	4.45
Rubber (incl. Tires)	1.51	0.87	0.34
Steel	1.34	2.15	1.37
Textiles	0.65	0.33	0.11
Tobacco	1.53	2.88	2.01
Miscellaneous*	8.70	7.98	7.99
TOTALS	100.00%	100.00%	100.00%

NOTE: Composite industry investments drawn from the portfolios of 40 of the largest investment companies as of the end of calendar year 1979 whose total net assets represented 40.4% of total net assets of all Institute member companies excluding money market funds.

*Includes diversified industrial companies not readily assignable to specific industry categories.

DISTRIBUTION OF MUTUAL FUND ASSETS
CALENDAR YEAR END, 1964-1979

(IN MILLIONS OF DOLLARS)

Year	Total Net Assets	Net Cash & Equivalent	Corporate Bonds	Preferred Stocks	Common Stocks	Municipal Bonds	Long Term US Gov't.	Other
1964	$29,116	$1,329	$2,149	$ 687	$24,951	NA	NA	NA
1965	35,220	1,803	2,554	595	30,268	NA	NA	NA
1966	34,829	2,971	2,915	505	28,438	NA	NA	NA
1967	44,701	2,566	2,959	755	38,421	NA	NA	NA
1968	52,677	3,187	3,408	1,675	44,407	NA	NA	NA
1969	48,291	3,846	3,586	1,190	39,669	NA	NA	NA
1970	47,618	3,124	4,286	1,143	38,540	NA	NA	$525
1971	55,045	2,601	4,910	1,206	45,891	NA	NA	437
1972	59,831	2,598	5,068	993	50,735	NA	NA	437
1973	46,519	3,426	4,196	623	37,698	NA	NA	576
1974	34,062	3,357	3,611	426	26,103	NA	NA	565
1975	42,179	3,209	4,766	506	33,158	NA	NA	540
1976	47,582	2,352	6,977	655	37,158	NA	NA	440
1977	45,049	3,274	6,475	418	30,746	$2,256	$1,295	585
1978	44,980	4,507	5,545	405	30,678	2,550	1,093	202
1979	49,297	4,995	5,582	443	34,334	2,968	798	177
				(PERCENTAGES)				
1964	100.0%	4.6%	7.4%	2.4%	85.6%	NA	NA	NA
1965	100.0	5.1	7.3	1.7	85.9	NA	NA	NA
1966	100.0	8.5	8.4	1.4	81.7	NA	NA	NA
1967	100.0	5.7	6.6	1.7	86.0	NA	NA	NA
1968	100.0	6.0	6.5	3.2	84.3	NA	NA	NA
1969	100.0	8.0	7.4	2.5	82.1	NA	NA	NA
1970	100.0	6.6	9.0	2.4	80.9	NA	NA	1.1%
1971	100.0	4.7	8.9	2.2	83.4	NA	NA	0.8
1972	100.0	4.3	8.5	1.7	84.8	NA	NA	0.7
1973	100.0	7.4	9.0	1.3	81.0	NA	NA	1.3
1974	100.0	9.9	10.6	1.2	76.6	NA	NA	1.7
1975	100.0	7.6	11.3	1.2	78.6	NA	NA	1.3
1976	100.0	4.9	14.7	1.4	78.1	NA	NA	0.9
1977	100.0	7.3	14.4	0.9	68.2	5.0%	2.9%	1.3
1978	100.0	10.0	12.3	0.9	68.2	5.7	2.4	0.5
1979	100.0	10.1	11.3	0.9	69.7	6.0	1.6	0.4

As tables on pages 28 and 29 show, the oil category remained in the position of the largest common stockholding in portfolios of the 40 largest mutual funds with a total of $3.1 billion or 18.0 percent of the total. Financial remained second with $1.8 billion or 10.3 percent. Office equipment was third with $1.4 billion or 8.1 percent. Drugs and cosmetics was fourth with $1.2 billion or 7.2 percent.

1. By Company—Mutual fund portfolios contain securities issued by various companies. Various state securities laws and regulations prescribe certain requirements for diversification by companies; the Investment Company Act of 1940 requires certain minimum diversification standards for a mutual fund to qualify as a diversified company; and the Internal Revenue Code requires a certain measure of diversification by company for a fund to qualify as a regulated investment company (see page 33).

2. By Industry—Most mutual fund companies diversify their portfolios by including securities issued by companies in many different industries.

3. By Security Type—Many mutual funds diversify by including different types of securities in their portfolios: bonds, preferred stock, common stock, etc. Balanced funds, for example, utilize this method of diversification.

4. By Timing Purchases and Sales—Mutual fund managements establish a range of price levels for purchases and sales as appropriate to conditions. Purchasing and selling over periods of time tend to diversify costs or sale prices.

Investment Objectives

The investment objectives of mutual funds reflect the objectives of investors generally. Through the mutual fund the objective is pursued with the advantages of diversification and professional management. Some companies aim for long-term growth of capital and income, others stress current income, and some put capital stability first. Thus, although no company can assure that its objectives will be reached due to the risk inherent in investing, an investor can usually find companies with goals similar to his own.

No two mutual funds use precisely the same means for pursuing their investment objectives. From the various types of corporate securities, company management selects those which, in its opinion, provide the best means of carrying out the fund's objectives. Thus, the portfolios of investment companies differ. Some utilize common stocks, others preferred stocks or corporate bonds; still others may have combinations of these types of securities.

Common Stock Funds

Some mutual funds concentrate almost entirely on the so-called "blue-chip" common stocks, those issued by large and well-known corporations which are leaders within their respective fields and which have long records of satisfactory dividend payments and earnings, and responsible management.

Others may specialize in so-called "growth" company stocks, which, because of the nature of their products or services or financing or other reasons, are believed to offer opportunities for substantially increased income and profits in the future as the companies develop.

There are some common stock mutual funds which specialize in a particular industry or related industries, usually investing in the securities of many different firms in that industry or group of industries. A few

emphasize investment in enterprises in a certain geographical area and some even in a single state.

Balanced Funds

The managers of balanced funds invest in varying proportions of fixed-income securities and common stocks. Most balanced funds have more conservative investment policies than do typical common stock funds. As a result, most balanced funds rarely show as large a gain during rising markets as do most common stock funds. On the other hand, they tend to decline less in a declining market and to exhibit less fluctuation in investment income dividends.

Bond Funds

Funds of this type seek to generate current income by investing primarily in senior securities. Some funds tend to concentrate in high-grade bonds, while others may have a mixture of high, medium, and lower grade bonds. Funds in the former group tend to provide shareholders with a greater degree of safety but usually less income than those in the latter group.

Municipal Bond Funds

These funds aim for income by investing in a broad range of tax-exempt bonds issued by states, cities and other local governments. The interest obtained from these bonds is passed through to shareowners free of federal tax.

Money Market Funds

Money market funds provide current income and relative safety of principle by investing in short-term securities such as Treasury Bills, Bank Certificates of Deposit, Bankers Acceptances, and Commercial Paper. While the value of such portfolios are subject to some fluctuation because of changes in interest rates and credit risk, these price movements are relatively minor when compared to long-term debt instruments or equities.

Option Income Funds

The investment objective of these funds is to seek a high current return by investing primarily in dividend-paying common stocks on which call options are traded on national securities exchanges. Current return generally consists of dividends, premiums from expired call options, net short-term gains from sales of portfolio securities on exercises of options or otherwise, and any profits from closing purchase transactions.

Mutual funds stand ready to redeem their shares at any time, providing the investor with a ready cash market for his shares.

REGULATION AND TAXATION

Mutual funds are closely regulated by federal and state governments. The laws governing the investment company industry are designed to guard against abuses in the operation of such companies. These laws require exhaustive disclosure regarding activities of investment companies and their personnel, and entail continued regulation of operations. Properly, however, they do not include supervision of management's exercise of investment judgment.

The major federal statutes regulating investment companies are the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Company Act of 1940 and the Investment Advisers Act of 1940.

The Securities Act of 1933 requires the filing of full information with respect to the offering of securities and the company that is making it. In addition, the Act provides for accurate information to be furnished to shareholders. It has a constant impact upon most mutual funds, which are, in the main, constantly offering shares to the public and hence are in continuous registration under the law.

The Securities Exchange Act of 1934 most affects investment companies in its requirements for solicitation of proxies and the making of periodic reports, and in its requirements concerning the training and conduct of salesmen.

The Investment Company Act of 1940, in the drafting of which responsible leaders of the investment company industry cooperated with the Securities and Exchange Commission, regulates the creation and structure and many of the operations of investment companies. It prescribes standards, among other things, for the composition of the board of directors, and regulates the management and underwriting contracts of these companies. The Investment Advisers Act of 1940 regulates the activities of investment advisers to mutual funds.

These federal acts are administered by the Securities and Exchange Commission which makes rules and regulations to carry out their purposes.

To this day there is cooperation and exchange of information between the mutual fund industry, through the Investment Company Institute, and the SEC and its staff, both of which are concerned with the interests of shareholders, investors, and the public.

In addition to these federal statutes, investment companies are affected by state laws under which investment companies are organized and which govern the offering and sale of securities. The latter are often referred to as "blue sky" laws.

These federal and state laws do not guarantee that mutual fund shares will go up in value, or that they will not go down in value. They are designed for the protection of members of the investing public, who, when they invest, assume the risk. They are designed, among other things, to insure that members of the public are informed of the risk which they assume when they invest.

Conduit Theory: An extra layer of taxation is avoided under the "conduit theory" which applies to most investment companies, through which shareholders are placed in substantially the same position as if they held directly the securities in the investment company's portfolio.

Provided that the investment company qualifies under Subchapter M of the Internal Revenue Code, there is no Federal income tax payable at

the investment company level on dividends and interest received by the company and distributed to its shareholders. In addition, there is no tax to the company on capital gains realized by it that are distributed to the shareholders.

In order to qualify, the open-end company must, among other things, distribute to its shareholders at least 90 percent of dividends and interest received. Thus, a shareholder who receives investment income dividends and capital gains distributions from a qualifying investment company receives them without any intermediary tax being levied on the investment company. The shareholder must report the receipt of these payments on his tax return.

HOW SHARES ARE SOLD

Unlike corporate securities and the shares of closed-end investment companies, which are bought and sold on national exchanges and in the over-the-counter market, the shares of mutual funds may be acquired by the investor in several different ways.

The key organization in distribution of most mutual fund shares is the underwriter. Through a contract arrangement with the mutual fund offering shares, the underwriter has exclusive distribution rights, usually on a national basis.

Dealer to Investor: The underwriter carries on a wholesale function in mutual fund distribution. Representatives of the underwriter distribute to retailers—securities dealers and brokers. The underwriters support the retail selling effort through various sales promotions and personal contact. The dealer, in turn, deals directly with the public—the potential purchasers of mutual fund shares.

Most retail firms distributing mutual fund shares are members of the National Association of Securities Dealers. This organization provides self-policing of its member firms in the distribution of mutual fund shares, as well as in other over-the-counter securities transactions.

To a greater and greater extent, retail distribution is taking on the aspects of financial planning. The basic product is being made more and more adaptable to the individual investor's needs and is being presented as one of several building blocks in an overall financial plan which includes life insurance, fixed dollar savings and individual securities in addition to mutual fund shares.

Underwriter to Investor: A second major distribution method is direct selling. In this case the retail securities dealer is not utilized. The underwriter organization carries on, in addition to the wholesale function, the retail function by the employment of sales representatives to approach the investing public.

Fund to Investor: A third distribution method encompasses mutual funds which for practical purposes deal directly with the investor without a distribution organization. The shares of most of these funds are sold to the public without any sales charge.

Pricing: The offering prices and redemption prices of mutual fund shares are determined with reference to the current market value of the underlying investments in the fund's portfolio. This "asset value per share," determined by most companies at least once a day, is calculated by dividing the current market value of the company's total net assets by the number of its shares outstanding.

The offering price, which usually includes a distribution charge, is fully explained in the mutual fund's prospectus. The buyer of mutual fund shares pays the offering price which includes a sales charge, in most cases, of 7.5—8.5 percent of the price—depending upon the amount of his purchase and the rates set by the individual fund. Lower rates usually apply on larger purchases. Mutual funds generally redeem their outstanding shares at their current net asset value.

Broad Interest: The many different methods used in the distribution of mutual fund shares have generated a

broad interest in such shares among individuals, families, and institutions in every one of the 50 states and in many nations of the free world.

Thus, the wide distribution pattern of the funds is specially significant, for it indicates that ownership of mutual fund shares is providing many people with an opportunity to participate in the equity ownership of American business.

As the concept of collective investment through mutual funds has been gaining wide acceptance in this country, the idea itself is being used today in many nations of the free world in forms adapted to local requirements.

MONEY MARKET FUNDS
ASSET COMPOSITION
Year-End, 1977-79
(In Millions of Dollars)

	1977	1978	1979
Total Net Assets	$3,887.7	$10,858.0	$45,214.2
Certificates of Deposit	1,793.0	5,293.8	18,128.4
Commercial Paper	941.3	2,842.0	14,453.3
Treasury Bills	882.5	1,489.3	1,621.3
Other U.S. Govt. Securities			4,020.2
Bankers' Acceptances	100.5	764.7	4,844.9
Cash Reserves	27.9	68.2	67.0
Other	142.5	400.0	2,079.1
Average Maturity of Portfolio* (Number of Days)	76	42	34
Number of Funds	50	61	76

*Maturity of each individual security in the portfolio at year-end weighted by its value.

MONEY MARKET FUNDS*

(Dollars in Millions)

Year End	Total Sales	Total Redemptions	Total Net Sales	Total Number Of Funds	Total Accounts Outstanding	Average Maturity (Days)	Total Net Assets
1974	$ 2,229.2	$ 556.0	$ 1,673.2	15	n.a.	n.a.	$ 1,715.1
1975	6,843.2	5,966.2	877.0	36	208,777	93	3,695.7
1976	9,360.9	9,609.2	−248.3	48	180,676	110	3,685.8
1977	10,673.0	10,662.7	10.3	50	177,522	76	3,887.7
1978	30,452.2	24,294.5	6,157.8	61	467,803	42	10,858.0
1979	111,855.1	78,363.4	33,491.7	76	2,307,852	34	45,214.2

*A small percentage of funds report assets and liquid assets but not sales and redemptions. In the interest of comparability, these latter two sets of figures have been adjusted upward.

INVESTOR PURCHASES OF MUTUAL FUND SHARES BY STATES AND GEOGRAPHICAL REGIONS

BY METHOD OF DISTRIBUTION

YEAR, 1979

(In Thousands of Dollars)

	BROKER-DEALERS	DIRECT SELLERS	NO-LOAD	TOTAL
New England	$337,539	$ 80,505	$491,564	$909,608
Maine	10,483	3,262	30,491	44,236
New Hampshire	7,792	4,062	18,404	30,258
Vermont	9,627	3,141	11,016	23,784
Massachusetts	216,399	32,353	261,007	509,759
Rhode Island	7,906	5,327	37,922	51,155
Connecticut	85,332	32,360	132,724	250,416
Middle Atlantic	$594,226	$150,004	$921,254	$1,665,484
New York	338,318	58,005	469,854	866,177
New Jersey	58,279	29,724	161,208	249,211
Pennsylvania	197,629	62,275	290,192	550,096
East North Central	$367,505	$167,741	$700,410	$1,235,656
Ohio	76,000	45,499	267,180	388,679
Indiana	29,092	18,524	48,874	96,490
Illinois	94,446	47,980	270,954	413,380
Michigan	124,502	42,088	84,645	251,235
Wisconsin	43,465	13,650	28,757	85,872
West North Central	$243,414	$153,701	$214,281	$611,396
Minnesota	45,654	33,734	48,939	128,327
Iowa	29,175	25,873	44,918	99,966
Missouri	103,763	40,100	83,518	227,381
North Dakota	4,912	2,578	1,946	9,436
South Dakota	8,048	7,329	7,322	22,699
Nebraska	20,551	15,995	6,227	42,773
Kansas	31,311	28,092	21,411	80,814
South Atlantic	$515,369	$116,114	$534,888	$1,166,371
Delaware	6,322	2,313	24,050	32,685
Maryland	50,248	10,384	105,893	166,525
District of Columbia	66,449	3,014	56,624	126,087
Virginia	34,123	13,904	41,942	89,969
West Virginia	10,141	5,994	11,060	27,195
North Carolina	43,203	14,176	23,171	80,550
South Carolina	13,509	4,417	17,905	35,831
Georgia	51,968	12,922	35,711	100,601
Florida	239,406	48,990	218,532	506,928

INVESTOR PURCHASES OF MUTUAL FUND SHARES BY STATES AND GEOGRAPHICAL REGIONS

BY METHOD OF DISTRIBUTION

YEAR, 1979

(In Thousands of Dollars)

	BROKERS-DEALERS	DIRECT SELLERS	NO-LOAD	TOTAL
East South Central	$65,730	$24,370	$136,609	$226,709
Kentucky	16,775	5,086	30,103	51,964
Tennessee	34,004	9,173	42,249	85,426
Alabama	10,436	5,094	37,937	53,467
Mississippi	4,515	5,017	26,320	35,852
West South Central	$209,045	$50,739	$118,395	$378,179
Arkansas	8,041	6,495	9,275	23,811
Louisiana	25,793	3,190	9,668	38,651
Oklahoma	15,509	7,925	17,066	40,500
Texas	159,702	33,129	82,386	275,217
Mountain	$136,885	$49,746	$87,939	$274,570
Montana	7,125	8,614	2,919	18,658
Idaho	6,974	4,775	3,226	14,975
Wyoming	2,667	1,530	4,025	8,222
Colorado	53,639	11,681	29,663	94,983
New Mexico	9,608	2,805	6,504	18,917
Arizona	48,164	16,899	27,778	92,841
Utah	6,350	2,062	9,296	17,708
Nevada	2,358	1,380	4,528	8,266
Pacific	$336,586	$118,326	$394,253	$849,165
Alaska	2,034	843	1,896	4,773
Washington	39,088	24,724	28,470	92,282
Oregon	20,975	11,099	6,691	38,765
California	264,967	79,064	331,322	675,353
Hawaii	9,522	2,596	25,874	37,992
U.S. Territories & Possessions	$ 368	$ 352	$ 1,508	$ 2,228
Canada	$14,957	$ 144	$ 3,270	$ 18,371
Other Countries	$48,728	$ 972	$77,897	$127,597
TOTAL	$2,870,352	$912,714	$3,682,268	$7,465,334

INVESTOR PURCHASES OF MUTUAL FUND SHARES BY STATES AND GEOGRAPHICAL REGIONS

BY METHOD OF DISTRIBUTION

YEAR, 1979

(Percentage of Total)

	BROKER-DEALERS	DIRECT SELLERS	NO-LOAD	TOTAL
New England	11.76%	8.82%	13.35%	12.18%
Maine	0.37	0.36	0.83	0.59
New Hampshire	0.27	0.45	0.50	0.41
Vermont	0.33	0.34	0.30	0.32
Massachusetts	7.54	3.54	7.09	6.83
Rhode Island	0.28	0.58	1.03	0.68
Connecticut	2.97	3.55	3.60	3.35
Middle Atlantic	20.70%	16.44%	25.02%	22.31%
New York	11.79	6.36	12.76	11.60
New Jersey	2.03	3.26	4.38	3.34
Pennsylvania	6.88	6.82	7.88	7.37
East North Central	12.80%	18.38%	19.02%	16.55%
Ohio	2.65	4.99	7.25	5.21
Indiana	1.01	2.03	1.33	1.29
Illinois	3.29	5.26	7.36	5.54
Michigan	4.34	4.61	2.30	3.36
Wisconsin	1.51	1.49	0.78	1.15
West North Central	8.48%	16.84%	5.82%	8.19%
Minnesota	1.59	3.70	1.33	1.72
Iowa	1.02	2.84	1.22	1.34
Missouri	3.61	4.39	2.27	3.05
North Dakota	0.17	0.28	0.05	0.13
South Dakota	0.28	0.80	0.20	0.30
Nebraska	0.72	1.75	0.17	0.57
Kansas	1.09	3.08	0.58	1.08
South Atlantic	17.96%	12.72%	14.53%	15.62%
Delaware	0.22	0.25	0.65	0.44
Maryland	1.75	1.14	2.88	2.23
District of Columbia	2.32	0.33	1.54	1.69
Virginia	1.19	1.52	1.14	1.20
West Virginia	0.35	0.66	0.30	0.36
North Carolina	1.51	1.55	0.63	1.08
South Carolina	0.47	0.48	0.49	0.48
Georgia	1.81	1.42	0.97	1.35
Florida	8.34	5.37	5.93	6.79

INVESTOR PURCHASES OF MUTUAL FUND SHARES BY STATE AND GEOGRAPHICAL REGIONS

BY METHOD OF DISTRIBUTION

YEAR 1979

(Percentage of Total)

	BROKER-DEALERS	DIRECT SELLERS	NO-LOAD	TOTAL
East South Central	2.29%	2.67%	3.71%	3.04%
Kentucky	0.58	0.56	0.82	0.70
Tennessee	1.19	1.00	1.15	1.14
Alabama	0.36	0.56	1.03	0.72
Mississippi	0.16	0.55	0.71	0.48
West South Central	7.28%	5.56%	3.21%	5.07%
Arkansas	0.28	0.71	0.25	0.32
Louisiana	0.90	0.35	0.26	0.52
Oklahoma	0.54	0.87	0.46	0.54
Texas	5.56	3.63	2.24	3.69
Mountain	4.77%	5.45%	2.39%	3.68%
Montana	0.25	0.94	0.08	0.25
Idaho	0.24	0.52	0.09	0.20
Wyoming	0.09	0.17	0.11	0.11
Colorado	1.87	1.28	0.81	1.27
New Mexico	0.34	0.31	0.18	0.26
Arizona	1.68	1.85	0.75	1.24
Utah	0.22	0.23	0.25	0.24
Nevada	0.08	0.15	0.12	0.11
Pacific	11.73%	12.96%	10.71%	11.37%
Alaska	0.07	0.09	0.05	0.06
Washington	1.36	2.71	0.78	1.23
Oregon	0.73	1.22	0.18	0.52
California	9.23	8.66	9.00	9.05
Hawaii	0.34	0.28	0.70	0.51
U.S. Territories & Possessions	0.01%	0.04%	0.04%	0.03%
Canada	0.52%	0.01%	0.09%	0.25%
Other Countries	1.70%	0.11%	2.11%	1.71%
TOTAL	100.00%	100.00%	100.00%	100.00%

MANAGING MONEY IN INFLATIONARY TIMES

In the late summer of 1979, the Investment Company Institute conducted a survey of men to learn how inflation alters their financial behavior patterns, particularly towards retirement planning. Males were chosen as respondents in order to develop comparisons and contrasts with data derived in an earlier Institute study of working women. (See 1979 Fact Book) The information was sought so that the mutual fund industry could assess the public's continuing financial needs and respond to them more effectively.

The Institute's research staff designed and tested the questionnaire and sent it to 13,000 men across the country. A 10 percent response rate was achieved. The respondents included in the survey are representative of the national male population in terms of age distribution and marital status. However, above average income families were selected in order to obtain a sizeable sample of people with the financial capacity to save and invest in various forms.

A few highlights from the survey follow:

Two out of five males expect prices to rise 10 percent or more per year in the eighties.

More than two out of three reported that their financial position was worse or unchanged from a year ago. Of those worse off, over three-fourths cite inflation as the reason.

About two in five save less because of inflation.

Over half of the respondents indicated that retirement was one of their major reasons for saving.

Eighty percent expect to finance their retirement from their own savings and investments. Almost two-thirds of these had begun a savings program for this purpose.

Nearly half said they were knowledgeable about mutual funds. Most of the other respondents were at least aware of them.

Financial holdings were diverse. Nearly half owned stocks while one in six owned equity mutual funds.

Most equity fund owners were married; two-thirds had family incomes over $25,000 in 1978; nearly three-fourths were willing to assume at least a moderate risk in order to obtain a greater return over a longer period of time; about one-third were under 40 years of age; and over half saved 8 percent or more of their income in 1978.

Three out of five married respondents indicated they made financial decisions jointly with their wives. This compares with three out of four wives in the women's survey who indicated equal participation.

Thirty-five percent of the husbands felt they were the primary decision makers while only 8 percent of the wives indicated that this was the case.

Men's survey respondents had higher family incomes than the women's survey respondents, and more diverse portfolios. They also indicated a greater degree of knowledge about mutual funds than did the women.

Most of the women's survey respondents were employed; slightly under half of the married male respondents had wives that work outside the home.

More than three out of five men were willing to assume a moderate to substantial risk to obtain a greater return. Less than two in five women indicated a similar willingness.

The men indicated a greater reliance on newspaper and magazine articles for financial information while women turned more to friends and relatives.

If married, how would you say that savings and investments decisions are handled in your family . . . Is the primary decision-maker about savings?

	Number of Respondents	Percent Distribution
Your wife	22	2.3%
Husband and wife participate equally	587	60.2
You	345	35.4
Other	21	2.1
Total	975	100.0%
Non-response	362	

If widowed, divorced or never married, how are decisions about savings and investments handled in your family?

	Number of Respondents	Percent Distribution
Make decisions myself	263	72.8%
Make decisions with some help	88	24.4
Rely mainly on others	10	2.8
Total	361	100.0%
Non-response	976	

Please check appropriate combined yearly family income for 1978 (before taxes) from all sources in your immediate household. Include income from salaries, dividends, rents, realized capital gains, bonuses, etc. Please remember that this is completely confidential.

	Number of Respondents	Percent Distribution
Under $10,000	114	8.7%
10,000-14,999	146	11.2
15,000-24,999	357	27.4
25,000-49,999	485	37.2
50,000 & over	201	15.5
Total	1,303	100.0%
Non-response	34	

For the full year of 1978, what percentage of your total income (before taxes) did you actually save?

	Number of Respondents	Percent Distribution
Zero savings	107	8.2%
Under 2%	216	16.6
2 to 4%	193	14.8
4 to 6%	153	11.8
6 to 8%	97	7.5
8 to 10%	268	20.6
10% or more	266	20.5
Total	1,300	100.0%
Non-response	37	

Would you say that you (your family) are financially better off or worse off than you were a year ago?

	Number of Respondents	Percent Distribution
Better off	410	30.7%
Worse off	580	43.4
No change	347	25.9
Total	1,337	100.0%
Non-response	0	

During the 1980's what do you think will happen to prices?

	Number of Respondents	Percent Distribution
Rise 5% or less per year	60	4.7%
Rise 5% to 10% per year	670	52.1
Rise 10% to 20% per year	471	36.6
Rise 20% or more per year	45	3.5
Prices will decline	40	3.1
Total	1,286	100.0%
Non-response	51	

Where do you expect to get the money to finance your retirement? (Check as many as appropriate).

	Number of Respondents	Percent Distribution
Social Security	995	76.3%
Own savings & investments	1,052	80.7
Pension or profit sharing plans	826	63.3
Individual retirement plans	384	29.5
Total	1,304	*
Non-response	33	

*Many of the respondents checked more than one answer; consequently the percentage distribution sums to more than 100.0 percent.

In deciding on the type of savings or investment you might make, how much risk would you be willing to take in order to obtain a greater return over a long period of time?

	Number of Respondents	Percent Distribution
None whatsoever	123	9.4%
Barest minimum	371	28.4
Moderate	702	53.8
Substantial	109	8.4
Total	1,305	100.0%
Non-response	32	

How much do you know about mutual funds?

	Number of Respondents	Percent Distribution
Never heard of them	49	3.7%
Aware of mutual funds but no detailed knowledge	625	47.5
Some detailed knowledge of mutual funds	474	36.0
Know a great deal about them	169	12.8
Total	1,317	100.0%
Non-response	20	

FIDUCIARY, BUSINESS AND INSTITUTIONAL INVESTORS OF MUTUAL FUNDS
1954, 1956-1964, 1966, 1968, 1970, 1972, 1974, 1976, 1978

Year	Reporting Companies' Assets (In Millions)	Percent Assets of Total Members' Assets	Institutional Accounts In Force	Value of Holdings (In Millions)	Institutional Holdings as a Percent of Assets of Reporting Companies
1954	$ 2,710.9	65.9%	35,821	$ 283.4	10.5%
1956	5,909.8	70.3	61,494	549.8	9.3
1957	7,178.1	79.7	89,559	624.5	8.7
1958	7,478.1	63.4	111,394	793.1	10.6
1959	9,334.8	63.3	165,424	1,133.8	12.1
1960	9,891.6	63.3	219,661	1,171.0	11.8
1961	16,241.8	77.3	282,845	1,686.7	10.4
1962	14,342.1	75.1	299,046	1,539.3	10.7
1963	17,468.9	71.3	361,118	1,648.0	9.4
1964	23,233.6	79.9	427,893	2,603.3	11.2
1966	27,803.2	79.8	707,705	3,984.0	14.3
1968	39,435.1	74.9	878,900	5,859.4	14.9
1970	32,631.1	68.5	1,071,243	6,174.0	18.9
1972	44,696.4	74.7	1,119,243	8,906.9	19.9
1974	26,981.4	75.4	1,440,533	7,116.1	26.4
1976	39,342.2	77.3	1,346,490	10,719.7	27.2
1978*	47,903.3	85.8*	1,405,125	15,510.5	32.4

NOTE: Survey based on Assets of: June 30, 1954, 1956; September 30, 1957 through 1963; December 31, 1964, 1966, 1968, 1970, 1972, 1974, 1976, and 1978. Institutional holdings as a percent of assets of reporting companies is slightly understated prior to 1974 due to limited reporting of Keogh information.

*Data for 1978 includes money market funds.

RETIREMENT PLANS

One of the major reasons why investors acquire mutual fund shares is to accumulate money for retirement. The federal income tax laws permit the establishment of a number of types of retirement plans which may be funded with mutual fund shares.

Corporate Plans

Corporations are permitted to establish various types of pension and profit-sharing plans covering their employees. Corporate contributions to the plans are tax-deductible and earnings accumulate on a tax-sheltered basis. Corporate plans may be funded in whole or in part with mutual fund shares.

Keogh Plans

A Keogh plan is a vehicle for setting up a retirement fund for self-employed individuals and their eligible employees consisting of tax-deductible contributions and tax-sheltered accumulations of income and capital gains. The maximum tax-deductible contribution for a self-employed person is $7,500 or 15 percent of yearly self-employed income, whichever is less.

For the individual with modest self-employed earnings who would have a severely limited tax deduction under the general Keogh contribution provisions, a Mini-Keogh plan is available. An individual with total adjusted gross income of less than $15,000 may contribute up to 100 percent of his or her self-employed income or $750, whichever is smaller.

At the end of 1979 there were 290,987 individual Keogh accounts invested in mutual funds. These accounts were valued at more than $2.8 billion.

Individual Retirement Accounts

An individual who is not an active participant in an employer- or government-sponsored retirement plan or a 403(b) plan may set up an Individual Retirement Account (IRA). The individual may contribute 15 percent of his or her compensation each year up to $1,500. The amounts contributed each year are tax-deductible. These contributions go into a tax-sheltered program so that all dividends, interest and capital gains are allowed to compound tax-deferred year after year. An individual who qualifies for an IRA and has a spouse who isn't employed may contribute up to 15 percent of his or her income or $1,750, whichever is less.

At the end of 1979 there were 101,838 IRAs funded with mutual fund shares. Total value of these accounts was $453 million, and the average account size was $4,444.

Simplified Pension Plans

Employers who have not established a qualified retirement plan may contribute up to $7,500 or 15 percent of compensation, whichever is less, to individual retirement accounts of their employees. The employer's contribution is tax deductible as compensation paid to the employee, who may deduct the amount from his or her tax return for the year.

Section 403(b) Plans

Section 403(b) of the Internal Revenue Code permits employees of certain charitable organizations and public school systems to establish tax-sheltered retirement programs which may be funded with mutual fund shares.

MUTUAL FUND KEOGH PLANS
YEAR-END, 1967-1979

Year	Number of Funds	Number of Keogh Plans in Force	Number of Participant Accounts in Force	Value of Participant Accounts (In Millions)
1967	93	19,823	29,918	$ 82.2
1968	109	56,682	83,651	184.3
1969	132	100,385	151,190	302.4
1970	151	122,088	200,410	349.8
1971	193	124,682	186,618	593.6
1972	206	159,333	223,451	917.1
1973	237	166,462	227,297	916.5
1974	287	223,752	358,341	1,068.0
1975	288	236,871	366,591	1,547.6
1976	319	241,894	354,296	1,992.5
1977	335	236,495	343,665	1,916.9
1978	349	216,478	314,384	2,161.8
1979	359	204,424	290,987	2,790.7

MUTUAL FUND
INDIVIDUAL RETIREMENT ACCOUNTS
YEAR-END, 1975-1979

Year	Number Of Funds	Number of IRA Accounts in Force	Value of IRA Accounts (In Millions)	Number of Rollover Accounts in Force	Value of Rollover Accounts (In Millions)
1975	168	26,765	$ 40.1	866	$ 8.1
1976	225	44,862	101.6	3,373	34.3
1977	259	60,854	178.5	6,278	64.4
1978	276	79,742	293.6	8,938	92.3
1979	285	101,838	452.5	12,833	146.4

GLOSSARY OF MUTUAL FUND TERMS

Adviser

The organization which is employed by a mutual fund to give professional advice on its investments and management of its assets.

Aggressive Growth Fund

A mutual fund which seeks maximum capital appreciation through the use of investment techniques involving greater than ordinary risk, such as borrowing money in order to provide leverage, short selling, hedging, options and warrants.

Asked or Offering Price

The price at which a mutual fund's shares can be purchased. The asked or offering price means the current net asset value per share plus sales charge, if any.

Automatic Reinvestment

The option available to mutual fund shareholders whereby fund income dividends and capital gains distributions are automatically put back into the fund to buy new shares and thereby build up holdings.

Balanced Fund

A mutual fund which has an investment policy of "balancing" its portfolio, generally by including bonds, preferred stocks and common stocks.

Bid or Redemption Price

The price at which a mutual fund's shares are redeemed (bought back) by the fund. The bid or redemption price usually means the current net asset value per share.

Bond Fund

A mutual fund whose portfolio consists primarily of bonds. The emphasis of such funds is normally on income rather than growth.

Bookshares

A modern share-recording system which eliminates the need for mutual fund share certificates but gives the fund shareowner a record of his holdings.

Broker-Dealer (or Dealer)

A firm which retails mutual fund shares and other securities to the public.

Capital Gains Distributions

Payments to mutual fund shareholders of gains realized on the sale of the fund's portfolio securities. These amounts usually are paid once a year.

Capital Growth

An increase in market value of a mutual fund's securities which is reflected in the net asset value of fund shares. This is a specific long-term objective of many mutual funds.

Closed-end Investment Company

Unlike mutual funds (known as "open-end funds"), closed-end companies issue only a limited number of shares and do not redeem them (buy them back). Instead, closed-end shares are traded in the securities markets, with supply and demand determining the price.

Common Stock Fund

A mutual fund whose portfolio consists primarily of common stocks. The emphasis of such funds is usually on growth.

Contractual Plan

A program for the accumulation of mutual fund shares in which the investor agrees to invest a fixed amount on a regular basis for a specified number of years. A substantial portion of the sales charge applicable to the total investment is usually deducted from early payments.

Conversion Privilege

See Exchange Privilege.

Custodian

The organization (usually a bank) which holds in custody and safekeeping the securities and other assets of a mutual fund.

Diversification

The mutual fund policy of spreading its investments among a number of different securities to reduce the risks inherent in investing.

Dollar-Cost Averaging

Investing equal amounts of money at regular intervals regardless of whether the stock market is moving upward or downward. This reduces average share costs to the investor who acquired more shares in periods of lower securities prices and fewer shares in periods of higher prices.

Exchange Privilege

Enables a mutual fund shareholder to transfer his investment from one fund to another within the same fund group if his needs or objectives change, generally with a small transaction charge.

Growth Fund

A mutual fund whose primary investment objective is long-term growth of capital. It invests principally in common stocks with growth potential.

Growth-and-Income Fund

A mutual fund whose aim is to provide for a degree of both income and long-term growth.

Income Dividends

Payments to mutual fund shareholders of dividends, interest and short-term capital gains earned on the fund's portfolio securities after deduction of operating expenses.

Income Fund

A mutual fund whose primary investment objective is current income rather than growth of capital. It usually invests in stocks and bonds that normally pay higher dividends and interest.

Index Fund

A mutual fund whose investment objective is to match the composite investment performance of a large group of publicly-traded common stocks, generally those represented by the Standard & Poor's 500 Composite Stock Price Index.

Individual Retirement Account

A retirement program for individuals who are not covered under employer or government retirement plans. An individual may contribute and deduct from his or her income tax an amount up to the lesser of 15 percent of compensation or $1,500. An individual retirement account may be funded with mutual fund shares.

Investment Adviser

See Adviser.

Investment Company

A corporation, trust or partnership in which investors pool their money to obtain professional management and diversification of their investments. Mutual funds are the most popular type of investment company.

Investment Objective

The goal—e.g., long-term capital growth, current income, etc.—which an investor or a mutual fund pursues.

Keogh Plan

A retirement program for self-employed individuals and their employees based on tax-saving provisions. A Keogh plan may be funded with mutual fund shares. (Also known as H.R. 10 Plans.)

Liquid Asset Fund

See Money Market Fund.

Management Fee

The amount paid by a mutual fund to the investment adviser for its services. The average fee industrywide is about one-half of one percent a year of the fund's assets.

Money Market Fund

Also called a liquid asset or cash fund, it is a mutual fund whose primary objective is to make higher interest securities available to the average investor who wants immediate income and high investment safety. This is accomplished through the purchase of high-yield money market instruments such as U.S. government securities, bank certificates of deposit and commercial paper.

Municipal Bond Fund

A mutual fund which invests in a broad range of tax-exempt bonds issued by states, cities and other local governments. The interest obtained from these bonds is passed through to shareowners free of federal tax. The fund's primary objective is current tax-free income.

Mutual Fund

An investment company which ordinarily stands ready to buy back (redeem) its shares at their current net asset value; the value of the shares depends on the market value of the fund's portfolio securities at the time. Also, most mutual funds continuously offer new shares to investors.

Net Asset Value Per Share

The market worth of a mutual fund's total assets—securities, cash and any accrued earnings—after deduction of liabilities, divided by the number of shares outstanding.

No-Load Fund

A mutual fund selling its shares at net asset value without the addition of sales charges.

Open-end Investment Company

The more formal name for a mutual fund, indicating that it stands ready to redeem its shares (buy them back) on demand.

Option Income Fund

The investment objective of these funds is to seek a high current return by investing primarily in dividend-paying common stocks on which call options are traded on national securities exchanges. Current return generally consists of dividends, premiums from expired call options, net

short-term gains from sales of portfolio securities on exercises of options or otherwise, and any profits from closing purchase transactions.

Payroll Deduction Plan

An arrangement whereby an employee may accumulate shares in a mutual fund by authorizing his employer to deduct and transfer to the fund a specified amount from his salary at stated times.

Periodic Payment Plan

See Contractual Plan.

Prospectus

The official booklet which describes the mutual fund and offers its shares for sale. It contains information as required by the Securities and Exchange Commission on such subjects as the fund's investment objectives and policies, services, investment restrictions, officers and directors, how shares can be bought and redeemed, its charges and its financial statements.

Qualified Retirement Plan

A private retirement plan that meets the rules and regulations of the Internal Revenue Service. Contributions to a qualified retirement plan are in almost all cases tax deductible and earnings on such contributions are always tax sheltered until withdrawal.

Redemption Price

The amount per share the mutual fund shareholder receives when he cashes in his shares (also known as "bid price"). The value of the shares depends on the market value of the fund's portfolio securities at the time.

Reinvestment Privilege

A service provided by most mutual funds for the automatic reinvestment of a shareholder's income dividends and capital gains distributions in additional shares.

Sales Charge

An amount charged to purchase shares in many mutual funds. Typically the charge is 8.5 percent of the initial investment. The charge is added to the net asset value per share in the determination of the offering price. (Some funds, which do not have salesmen, have no sales charge.)

Section 403(b) Plan

Section 403(b) of the Internal Revenue Code permits employees of certain charitable organizations and public school systems to establish tax-sheltered retirement programs which may be funded with annuities and mutual fund shares.

Simplified Pension Plan

A program in which employers who have not established a qualified retirement plan may contribute up to $7,500 or 15 percent of compensation, whichever is less, to individual retirement accounts of their employees.

Specialty Fund

A mutual fund specializing in the securities of certain industries, special types of securities or in regional investments.

Split Funding

A program which combines the purchase of mutual fund shares with the purchase of life insurance contracts or other products.

Transfer Agent

The organization which is employed by a mutual fund to prepare and maintain records relating to the accounts of its shareholders.

Underwriter or Principal Underwriter

The organization which acts as the distributor of a mutual fund's shares to broker-dealers and the public.

Withdrawal Plans

Many mutual funds offer withdrawal programs whereby shareholders receive payments from their investments at regular intervals. These payments typically are drawn from the fund's dividends and capital gains distributions, if any, and from principal, to the extent necessary.

Variable Annuity

A contract under which an insurance annuity is purchased with a fixed number of dollars which are translated into a varying number of accumulation units. At retirement the annuitant is paid in a fixed number of annuity units monthly which are translated into a varying number of dollars. The value of both accumulation and annuity units varies in accordance with the performance of a portfolio invested in equity securities.

Variable Life Insurance

An equity-based life insurance policy in which the reserves may be invested in common stocks. The death benefit is guaranteed never to fall below the face value, but it could increase if the value of the securities increases. There may be no guaranteed cash surrender value under this kind of policy.

Voluntary Plan

A flexible accumulation plan in which there is no definite time period or total amount to be invested.

APPENDIX

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FIDUCIARY, BUSINESS & INSTITUTIONAL INVESTORS OF MUTUAL FUNDS
Number of Accounts, 1962, 1964, 1966, 1968, 1970

	1962	1964	1966	1968	1970
Fiduciaries (Banks and Individuals Serving as Trustees, Guardians, and Administrators)	261,353	377,747	637,701	744,714	810,376
Business Corporations	11,014	10,999	12,700	30,378	28,886
Employee Pension and Profit Sharing Funds	5,571	10,445	16,562	49,283	127,164
Insurance Companies and Other Financial Institutions	693	2,104	2,923	11,435	11,967
Unions	148	285	379	605	339
Total Business Organizations	17,426	23,833	32,564	91,701	168,356
Churches and Religious Organizations	4,517	8,795	8,164	10,335	7,031
Fraternal, Welfare and Other Public Associations	4,719	5,846	7,225	7,921	6,292
Hospitals, Sanitariums, Orphanages, Etc.	3,016	2,244	2,381	2,231	2,131
Schools and Colleges	1,479	2,163	2,826	2,159	2,583
Foundations	N/A	N/A	N/A	N/A	N/A
Total Institutions and Foundations	13,731	17,048	20,596	22,646	18,037
Other Institutional Investors Not Classified (a)	6,536	9,265	16,844	19,839	74,474
TOTAL	299,046	427,893	707,705	878,900	1,071,243

(a) Includes institutional accounts which do not fall under other classifications and those for which no determination of classification can be made.

NOTE: Reporters of institutional data represented 75.1% of total net assets in 1962, 79.9% in 1964, 79.8% in 1966, 74.9% in 1968, and 68.5% in 1970.

N/A—Not Available

FIDUCIARY, BUSINESS & INSTITUTIONAL INVESTORS OF MUTUAL FUNDS
Number of Accounts, 1972, 1974, 1976 and 1978

	1972	1974	1976	1978
Fiduciaries (Banks and Individuals Serving as Trustees, Guardians, and Administrators)	792,911	883,898	727,173	774,704
Business Corporations	24,891	33,989	30,163	42,839
Employee Pension and Profit Sharing Funds*	209,890	448,388R	475,444	499,669
Insurance Companies and Other Financial Institutions	5,800	18,646	17,828	25,012
Unions	335	1,413	1,358	759
Total Business Organizations	240,936	502,436	524,793	568,279
Churches and Religious Organizations	7,008	7,834	6,787	6,828
Fraternal, Welfare, and other Public Associations	5,220	6,557	4,781	6,426
Hospitals, Sanitariums, Orphanages, Etc.	1,926	2,177	3,295	1,887
Schools and Colleges	2,726	3,510	3,386	3,660
Foundations	N/A	N/A	N/A	790
Total Institutions and Foundations	16,880	20,078	18,249	19,591
Other Institutional Investors Not Classified (a)	58,516	34,121	76,275	42,551
TOTAL	1,109,243	1,440,533	1,346,490	1,405,125

(a) Includes institutional accounts which do not fall under other classifications and those for which no determination of classification can be made.

*The Data for this category prior to 1974 are not comparable due to an understatement of Keogh figures.

NOTE: Reporters of institutional data represented 74.7% of total net assets in 1972, 75.4% in 1974, 77.3% in 1976, and 85.8% in 1978. The 1978 data includes money market funds.

N/A—Not Available

FIDUCIARY, BUSINESS & INSTITUTIONAL INVESTORS OF MUTUAL FUNDS
Value of Holdings, 1962, 1964, 1966, 1968 and 1970
(In Thousands of Dollars)

	1962	1964	1966	1968	1970
Fiduciaries (Banks and Individuals Serving as Trustees, Guardians, and Administrators)	$ 873,657	$1,488,951	$2,420,515	$3,290,530	$3,106,373
Business Corporations	167,953	253,382	424,903	845,908	645,425
Employee Pensions and Profit Sharing Funds	172,281	311,991	414,387	614,118	816,699
Insurance Companies and Other Financial Institutions	22,359	100,919	139,893	243,732	848,626
Unions	6,106	11,336	15,450	33,612	9,291
Total Business Organizations	$ 368,699	$ 680,628	$ 994,633	$1,737,370	$2,320,041
Churches and Religious Organizations	49,208	73,925	85,684	112,292	82,399
Fraternal, Welfare, and Other Public Associations	59,862	80,827	91,144	107,600	91,308
Hospitals, Sanitariums, Orphanages, etc.	41,552	43,416	41,276	42,734	44,539
Schools and Colleges	35,080	50,678	57,594	48,936	53,647
Foundations	N.A.	N.A.	N.A.	N.A.	N.A.
Total Institutions and Foundations	$ 185,702	$ 248,846	$ 275,698	$ 311,562	$ 271,893
Other Institutional Investors Not Classified (a)	$ 111,244	$ 184,905	$ 293,120	$ 519,959	$ 475,737
TOTAL	$1,539,302	$2,600,330	$3,980,966	$5,859,421	$6,174,044

(a) Includes institutional accounts which do not fall under other classifications and those for which no determination of classification can be made.

NOTE: Reporters of institutional data represented 75.1% net assets in 1962, 79.9% in 1964, 79.8% in 1966, 74.9% in 1968, and 68.5% in 1970.

N.A.—Not Available

FIDUCIARY, BUSINESS & INSTITUTIONAL INVESTORS OF MUTUAL FUNDS
Value of Holdings, 1972, 1974, 1976 and 1978
(In Thousands of Dollars)

	1972	1974	1976	1978
Fiduciaries (Banks and Individuals Servings as Trustees, Guardians, and Administrators)	$4,711,704	$2,896,796	$ 4,133,157	$ 6,689,822
Business Corporations	732,291	815,554	964,166	1,227,743
Employee Pension and Profit Sharing Funds*	1,493,671	1,894,820R	3,691,619	4,311,479
Insurance Companies and Other Financial Institutions	317,477	627,784	576,343	1,039,279
Unions	19,676	16,295	26,388	32,434
Total Business Organizations	$2,563,315	$3,354,453	$ 5,258,516	$ 6,610,935
Churches and Religious Organizations	101,404	82,802	102,433	102,033
Fraternal, Welfare, and Other Public Associations	88,993	85,711	129,343	114,038
Hospitals, Sanitariums, Orphanages, etc.	40,333	37,220	70,398	78,559
Schools and Colleges	49,410	33,640	68,066	98,931
Foundations	N/A	N/A	N/A	21,738
Total Institutions and Foundations	$ 280,140	$ 239,373	$ 370,240	$ 415,299
Other Institutional Investors Not Classified (a)	$1,351,734	$ 625,479	$ 957,775	$ 1,794,476
TOTAL	$8,906,893	$7,116,101	$10,719,688	$15,510,532**

(a) Includes institutional accounts which do not fall under other classifications and those for which no determination of classification can be made.

*The Data for this category prior to 1974 are not comparable due to an understatement of Keogh figures.

**This figure includes $5.9 billion of institutional assets invested in money market funds.

NOTE: Reporters of institutional data represented 74.7% of total net assets in 1972, 75.4% in 1974, 77.3% in 1976, and 85.5% in 1978.

N/A—Not Available

INVESTOR PURCHASES OF MUTUAL FUND SHARES BY STATES AND GEOGRAPHICAL REGIONS, 1974-1979

(In Thousands of Dollars)

	1974	1975	1976	1977	1978	1979
New England	$336.587	$411.128	$518.846	$ 714.652	$ 736.731	$909.608
Maine	13.200	12.035	13.338	26.176	30.594	44.236
New Hampshire	9.562	8.140	10.825	27.180	25.312	30.258
Vermont	12.519	12.294	13.421	23.734	27.583	23.784
Massachusetts	184.168	200.791	284.689	374.929	392.004	509.759
Rhode Island	9.720	12.623	13.804	26.652	29.399	51.155
Connecticut	107.418	165.245	182.769	235.981	231.839	250.416
Middle Atlantic	$674.558	$697.733	$793.999	$1.309.280	$1.487.534	$1.665.484
New York	390.647	451.670	473.958	655.268	785.812	866.177
New Jersey	95.153	89.760	98.639	181.597	239.953	249.211
Pennsylvania	188.758	156.303	221.402	472.415	461.769	550.096
East North Central	$456.067	$459.134	$582.167	$1.008.399	$1.078.286	$1.235.656
Ohio	94.465	94.049	139.431	235.502	218.110	388.679
Indiana	36.403	43.180	45.699	87.681	99.164	96.490
Illinois	181.766	178.333	219.923	385.441	474.007	413.380
Michigan	84.160	85.432	103.851	192.166	199.579	251.235
Wisconsin	59.273	58.140	73.263	107.609	87.426	85.872
West North Central	$274.885	$286.813	$355.522	$ 603.585	$ 619.717	$611.396
Minnesota	74.845	87.605	96.385	148.572	146.951	128.327
Iowa	43.034	40.180	50.142	90.163	87.507	99.966
Missouri	84.866	92.955	135.064	210.756	238.145	227.381
North Dakota	7.026	7.500	8.179	11.798	9.488	9.436
South Dakota	11.939	10.183	11.942	26.788	20.932	22.699
Nebraska	22.833	24.277	25.354	47.637	43.816	42.773
Kansas	30.342	24.114	28.456	67.871	72.878	80.814
South Atlantic	$388.990	$466.805	$596.319	$ 972.652	$1.002.306	$1.166.371
Delaware	9.782	12.569	11.936	22.468	22.395	32.685
Maryland	66.560	76.398	88.999	166.533	103.301	166.525
D.C.	46.778	95.843	74.482	91.060	116.430	126.087
Virginia	46.243	48.452	68.488	111.591	102.686	89.969
West Virginia	9.269	8.736	9.133	20.225	20.600	27.195
North Carolina	26.633	31.585	47.422	67.113	73.492	80.550
South Carolina	11.591	11.399	18.256	27.062	27.877	35.831
Georgia	31.741	39.966	71.837	81.555	104.050	100.601
Florida	140.393	141.857	205.766	385.045	431.475	506.928

INVESTOR PURCHASES OF MUTUAL FUND SHARES BY STATES AND GEOGRAPHICAL REGIONS, 1974-1979

(In Thousands of Dollars)

	1974	1975	1976	1977	1978	1979
East South Central	$ 69.195	$ 88.818	$ 100.472	$ 166.216	$ 184.873	$226.709
Kentucky	17.456	24.368	29.042	42.089	44.387	51.964
Tennessee	25.101	36.936	43.012	69.950	86.176	85.426
Alabama	16.947	14.740	17.284	33.779	37.511	53.467
Mississippi	9.691	12.774	11.134	20.398	16.799	35.852
West South Central	$ 124.362	$ 131.796	$ 172.336	$ 340.628	$ 388.829	$378.179
Arkansas	6.987	6.142	11.029	17.509	16.097	23.811
Louisiana	16.355	18.716	23.005	45.808	41.375	38.651
Oklahoma	23.074	26.004	31.056	66.414	47.178	40.500
Texas	77.946	80.934	107.246	210.897	284.179	275.217
Mountain	$ 127.805	$ 113.110	$ 159.068	$ 260.381	$ 279.264	$274.570
Montana	10.776	11.202	12.266	22.797	19.607	18.658
Idaho	7.706	9.508	12.709	19.884	17.247	14.975
Wyoming	4.021	4.137	4.282	8.327	7.294	8.222
Colorado	53.627	32.510	69.134	91.341	92.271	94.983
New Mexico	6.450	6.952	8.020	13.587	13.823	18.917
Arizona	33.532	36.445	38.213	80.302	107.258	92.841
Utah	8.014	8.555	10.503	14.932	15.547	17.708
Nevada	3.679	3.801	3.941	9.211	6.217	8.266
Pacific	$ 538.819	$ 582.575	$ 713.318	$ 887.774	$ 867.020	$849.165
Alaska	1.254	1.511	1.627	2.662	3.221	4.773
Washington	40.916	48.398	51.873	89.439	91.037	92.282
Oregon	28.887	49.941	36.843	47.957	37.645	38.765
California	457.239	471.078	609.855	721.749	708.397	675.353
Hawaii	10.523	11.647	13.120	25.967	26.720	37.992
U.S. Territories and Possessions	$ 2.630	$ 6.889	$ 1.949	$ 3.574	$ 4.749	$ 2.228
Canada	$ 4.448	$ 1.740	$ 405	$ 2.861	$ 7.469	$ 18.371
Other Countries	$ 65.841	$ 60.672	$ 116.255	$ 49.306	$ 48.521	$ 127.597
TOTAL	$3.064.187	$3.307.213	$4.110.656	$6.319.308	$6.705.299	$7.465.334

INVESTOR PURCHASES OF MUTUAL FUND SHARES BY STATES AND GEOGRAPHICAL REGIONS, 1974-1979

(Percent of Total Reported Purchases)

	1974	1975	1976	1977	1978	1979
New England	10.99%	12.43%	12.62%	11.31%	10.99%	12.18%
Maine	0.43	0.36	0.32	0.41	0.46	0.59
New Hampshire	0.31	0.25	0.26	0.40	0.38	0.41
Vermont	0.41	0.37	0.33	0.38	0.41	0.32
Massachusetts	6.01	6.07	6.92	5.93	5.85	6.83
Rhode Island	0.32	0.38	0.34	0.42	0.44	0.68
Connecticut	3.51	5.00	4.45	3.74	3.45	3.35
Middle Atlantic	22.02%	21.09%	19.32%	20.72%	22.18%	22.31%
New York	12.75	13.65	11.53	10.37	11.72	11.60
New Jersey	3.11	2.71	2.40	2.87	3.58	3.34
Pennsylvania	6.16	4.73	5.39	7.48	6.88	7.37
East North Central	14.87%	13.88%	14.16%	15.96%	16.08%	16.55%
Ohio	3.08	2.84	3.39	3.73	3.25	5.21
Indiana	1.19	1.31	1.11	1.39	1.48	1.29
Illinois	5.93	5.39	5.35	6.10	7.07	5.54
Michigan	2.74	2.58	2.53	3.04	2.98	3.36
Wisconsin	1.93	1.76	1.78	1.70	1.30	1.15
West North Central	8.97%	8.67%	8.65%	9.55%	9.24%	8.19%
Minnesota	2.44	2.65	2.34	2.35	2.19	1.72
Iowa	1.40	1.21	1.22	1.43	1.31	1.34
Missouri	2.77	2.81	3.29	3.34	3.55	3.05
North Dakota	0.23	0.23	0.20	0.19	0.14	0.13
South Dakota	0.39	0.31	0.29	0.42	0.31	0.30
Nebraska	0.75	0.73	0.62	0.75	0.65	0.57
Kansas	0.99	0.73	0.69	1.07	1.09	1.08
South Atlantic	12.70%	14.12%	14.51%	15.39%	14.95%	15.62%
Delaware	0.32	0.38	0.29	0.36	0.33	0.44
Maryland	2.17	2.31	2.17	2.64	1.54	2.23
D.C.	1.53	2.90	1.81	1.44	1.74	1.69
Virginia	1.51	1.47	1.67	1.77	1.53	1.20
West Virginia	0.30	0.26	0.22	0.32	0.31	0.36
North Carolina	0.87	0.96	1.15	1.06	1.10	1.08
South Carolina	0.38	0.34	0.44	0.42	0.42	0.48
Georgia	1.04	1.21	1.75	1.29	1.55	1.35
Florida	4.58	4.29	5.01	6.09	6.43	6.79

INVESTOR PURCHASES OF MUTUAL FUND SHARES BY STATES AND GEOGRAPHICAL REGIONS, 1974-1979

(Percent of Total Reported Purchases)

	1974	1975	1976	1977	1978	1979
East South Central	2.26%	2.70%	2.44%	2.63%	2.76%	3.04%
Kentucky	0.57	0.74	0.71	0.67	0.66	0.70
Tennessee	0.82	1.12	1.04	1.11	1.29	1.14
Alabama	0.55	0.45	0.42	0.53	0.56	0.72
Mississippi	0.32	0.39	0.27	0.32	0.25	0.48
West South Central	4.05%	4.00%	4.19%	5.39%	5.80%	5.07%
Arkansas	0.23	0.19	0.27	0.28	0.24	0.32
Louisiana	0.53	0.57	0.56	0.72	0.52	0.52
Oklahoma	0.75	0.79	0.75	1.05	0.70	0.54
Texas	2.54	2.45	2.61	3.34	4.24	3.69
Mountain	4.16%	3.42%	3.87%	4.12%	4.17%	3.68%
Montana	0.35	0.34	0.30	0.36	0.29	0.25
Idaho	0.25	0.29	0.31	0.31	0.26	0.20
Wyoming	0.13	0.13	0.10	0.13	0.11	0.11
Colorado	1.75	0.98	1.68	1.45	1.38	1.27
New Mexico	0.21	0.21	0.19	0.22	0.21	0.26
Arizona	1.09	1.10	0.93	1.27	1.60	1.24
Utah	0.26	0.26	0.26	0.24	0.23	0.24
Nevada	0.12	0.11	0.10	0.14	0.09	0.11
Pacific	17.59%	17.60%	17.35%	14.05%	12.93%	11.37%
Alaska	0.04	0.05	0.04	0.04	0.05	0.06
Washington	1.34	1.46	1.26	1.42	1.36	1.23
Oregon	0.94	1.51	0.90	0.76	0.56	0.52
California	14.93	14.23	14.83	11.42	10.56	9.05
Hawaii	0.34	0.35	0.32	0.41	0.40	0.51
U.S. Territories and Possessions	0.09%	0.21%	0.05%	0.06%	0.07%	0.03%
Canada	0.15%	0.05%	0.01%	0.04%	0.11%	0.25%
Other Countries	2.15%	1.83%	2.83%	0.78%	0.72%	1.71%
TOTAL	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

ASSETS OF MAJOR INSTITUTIONS AND FINANCIAL INTERMEDIARIES

(In Millions of Dollars)

	1974	1975	1976	1977	1978	1979
Savings Institutions						
Commercial Banks	$919,600	$964,900	$1,030,700	$1,166,000	$1,284,000	$1,351,00
Credit Unions	31,948	38,037	45,225	53,755R	62,348R	65,85
Mutual Savings Banks	109,550	121,056	134,812	147,287	158,174R	163,36
Savings & Loan Associations	295,545	338,233	391,907	459,241	523,542R	581,99
Insurance						
Fire & Casualty	$ 81,407	$ 93,338	$112,091	$134,339	$158,855R	$178,35
Life	263,349	289,304	321,552	351,722	389,924R	427,49
Investment Institutions						
Bank Administered Trusts	$325,328	$397,218	$486,603	$502,715	$441,801B	N/A
Closed-End Investment Companies	8,954	8,952	9,319	7,373	8,039	7,85
Mutual Funds	35,777*	45,824*	50,908*	48,548*	55,838*	94,51
Pension Funds						
—Book Value (non-insured)	$133,730	$145,200	$160,144	$181,509	$202,200	N/A
—Market Value	111,700	145,600	173,906	181,569	201,545	N/A
Government —Book Value	176,500	189,800	207,300	221,900	243,600	N/A

A—As of November 30, 1979.
B—Not comparable with prior years as the series was revised in 1978 to reflect only discretionary trusts and agencies.
C—As of September 30, 1979.

*Includes Money Market Funds.

TOTAL NET ASSETS, CASH POSITION, SALES AND REDEMPTIONS OF SHARES

ANNUALLY, 1962-1979

(In Millions of Dollars)

Year	Total Net Assets Year-End	Cash Position	Sales	Redemptions
1962	$ 21,270.7	$ 1,315.1	$ 2,699.0	$ 1,122.7
1963	25,214.4	1,341.3	2,459.1	1,505.3
1964	29,116.3	1,329.1	3,403.0	1,874.1
1965	35,220.2	1,803.4	4,358.1	1,962.4
1966	34,829.4	2,971.4	4,671.8	2,005.1
1967	44,701.3	2,566.1	4,669.6	2,744.2
1968	52,677.2	3,186.7	6,819.8	3,838.7
1969	48,290.7	3,845.5	6,718.3	3,661.6
1970	47,618.1	3,649.0	4,625.8	2,987.6
1971	55,045.3	3,038.5	5,147.2	4,750.2
1972	59,830.6	3,035.1	4,892.5	6,562.9
1973	46,518.5	4,001.9	4,359.3	5,651.1
1974				
Mutual Funds	34,061.7	3,922.0	3,091.5	3,380.9
Money Market Funds	1,715.0	1,715.0	2,229.2	556.0
1975				
Mutual Funds	42,178.7	3,748.3	3,307.2	3,686.3
Money Market Funds	3,695.7	3,684.7	6,843.2*	5,966.2*
1976				
Mutual Funds	47,581.8	2,747.4	4,360.3	6,801.2
Money Market Funds	3,685.8	3,669.9	9,360.9*	9,609.2*
1977				
Mutual Funds	45,049.2	3,274.0	6,399.7	6,026.0
Money Market Funds	3,887.7	3,849.2	10,673.0*	10,662.7*
1978				
Mutual Funds	44,979.7	4,506.7	6,705.3	7,232.4
Money Market Funds	10,858.0	10,716.2	30,452.2	24,294.5
1979				
Mutual Funds	49,297.1	4,794.7	7,465.5	8,379.6
Money Market Funds	45,214.2	43,292.2	111,855.1	78,363.4

*A small percentage of funds report assets and liquid assets but not sales and redemptions. In the interest of comparability, these latter two sets of figures have been adjusted upward.

TOTAL NET ASSETS AND CASH POSITION BY FUND CHARACTERISTICS

Year-end (In Millions of Dollars)

	1972		1973		1974		1975	
	Dollars	Percent	Dollars	Percent	Dollars	Percent	Dollars	Percent
TOTAL NET ASSETS	$59,830.6	100.0%	$46,518.5	100.0%	$34,061.8	100.0%	$42,178.7	100.0%
Method of Distribution:								
Broker-Dealer	39,819.7	66.6	30,472.2	65.5	22,239.6	65.3	27,296.1	64.7
Direct Selling	12,317.2	20.6	9,855.9	21.2	7,445.6	21.9	9,305.8	22.1
No-Load	5,923.5	9.8	4,885.8	10.5	3,553.1	10.4	4,601.6	10.9
Other*	1,770.2	3.0	1,304.6	2.8	823.5	2.4	975.2	2.3
Investment Objective:								
Aggressive Growth	3,467.3	5.8	2,396.0	5.2	1,518.4	4.5	2,011.4	4.8
Growth	20,203.2	33.8	15,673.9	33.6	11,029.5	32.4	13,680.3	32.4
Growth-&-Income	24,920.3	41.7	18,872.5	40.6	13,755.1	40.4	16,703.8	39.6
Balanced	7,325.4	12.2	6,051.6	13.0	4,569.5	13.4	5,099.4	12.1
Income	3,914.4	6.5	3,524.5	7.6	3,189.3	9.3	2,468.5	5.9
Bond**	N/A	N/A	N/A	N/A	N/A	N/A	2,215.3	5.2
Municipal Bond	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Option Income	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
NET CASH AND EQUIVALENT	$ 2,598.0	100.0%	$ 3,425.6	100.0%	$ 3,357.2	100.0%	$ 3,208.5	100.0%
Method of Distribution:								
Broker-Dealer	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Direct Selling	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
No-Load	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Other*	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Investment Objective:								
Aggressive Growth	158.0	6.1	252.4	7.3	237.5	7.1	241.4	7.5
Growth	1,106.8	42.6	1,465.6	42.8	1,518.1	45.2	1,173.8	36.6
Growth-&-Income	905.5	34.9	1,198.3	35.0	1,036.4	30.9	1,187.5	37.0
Balanced	301.4	11.6	290.7	8.5	315.7	9.4	243.0	7.6
Income	126.3	4.8	218.6	6.4	249.5	7.4	164.9	5.1
Bond**	N/A	N/A	N/A	N/A	N/A	N/A	197.9	6.2
Municipal Bond	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Option Income	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

*Exchange funds and others not currently offering shares; sales represent reinvested dividends.

**Prior to 1975 figures for Bond Funds were included in the Income category.

TOTAL NET ASSETS AND CASH POSITION BY FUND CHARACTERISTICS

Year-end (In Millions of Dollars)

	1976		1977		1978		1979	
	Dollars	Percent	Dollars	Percent	Dollars	Percent	Dollars	Percent
TOTAL NET ASSETS	$47,581.8	100.0%	$45,049.2	100.0%	$44,979.7	100.0%	$49,297.1	100.0%
Method of Distribution:								
Broker-Dealer	30,088.4	63.2	25,745.1	57.1	25,684.7	57.1	26,233.8	53.2
Direct Selling	10,168.3	21.4	9,136.9	20.3	8,852.2	19.7	8,720.2	17.7
No-Load	6,026.9	12.7	8,988.8	20.0	9,407.4	20.9	13,047.2	26.5
Other*	1,298.2	2.7	1,178.4	2.6	1,035.4	2.3	1,295.9	2.6
Investment Objective:								
Aggressive Growth	2,202.7	4.6	2,212.5	4.9	2,329.9	5.2	2,964.8	6.0
Growth	13,855.8	29.1	11,652.7	25.9	11,380.9	25.3	13,010.4	26.4
Growth-&-Income	18,233.3	38.3	16,098.1	35.7	15,237.9	33.9	16,462.3	33.4
Balanced	4,898.6	10.3	4,108.9	9.1	3,722.5	8.3	3,438.0	7.0
Income	4,589.6	9.7	4,364.3	9.8	4,557.8	10.1	4,542.1	9.2
Bond**	3,255.5	6.8	3,999.3	8.8	4,700.2	10.4	5,086.5	10.3
Municipal Bond	546.3	1.2	2,276.3	5.1	2,631.6	5.9	3,324.0	6.7
Option Income	N/A	N/A	337.1	0.7	418.9	0.9	469.0	1.0
NET CASH AND EQUIVALENT	$ 2,351.8	100.0%	$ 3,292.8	100.0%	4,506.7	100.0%***	4,994.8	100.0%
Method of Distribution:								
Broker-Dealer	N/A	N/A	1,885.4	57.3	2,366.3	52.5	2,169.8	43.4
Direct Selling	N/A	N/A	678.8	20.6	1,004.7	22.3	978.1	19.6
No-Load	N/A	N/A	679.9	20.6	1,078.6	23.9	1,793.1	35.9
Other*	N/A	N/A	48.7	1.5	57.1	1.3	53.8	1.1
Investment Objective:								
Aggressive Growth	92.8	3.9	288.6	8.8	323.9	7.2	443.5	8.9
Growth	810.7	34.5	1,069.2	32.5	1,069.4	23.7	1,125.6	22.5
Growth-&-Income	814.0	34.6	983.0	29.8	994.1	22.1	1,003.7	20.1
Balanced	211.2	9.0	224.3	6.8	297.4	6.6	251.2	5.0
Income	172.5	7.3	265.8	8.1	543.0	12.1	492.6	9.9
Bond**	235.5	10.0	301.1	9.1	966.4	21.4	993.0	19.9
Municipal Bond	15.1	0.7	136.8	4.2	266.7	5.9	629.1	12.6
Option Income	N/A	N/A	24.0	0.7	45.8	1.0	56.1	1.1

*Exchange funds and others not currently offering shares: sales represent reinvested dividends.

**Prior to 1975 figures for Bond Funds were included in the Income category.

***Between 1970-1979, the liquid asset figures excluded U.S. Government Securities with maturity over 1 year; prior to that date these securities were included in the data.

SALES AND REDEMPTIONS BY FUND CHARACTERISTICS

(In Millions of Dollars)

	1962		1963		1964	
SALES	**$2,699.0**	**100.0%**	**$2,459.1**	**100.0%**	**$3,403.0**	**100.0%**
Type of Sale:						
Regular Single Payment	1,728.7	64.0	1,582.7	64.4	2,282.9	67.1
Voluntary Accumulation Plan	351.6	13.0	288.5	11.7	386.4	11.3
Contractual Accumulation Plan	318.8	11.8	270.5	11.0	293.2	8.6
Contractual Single Payment	44.6	1.7	32.2	1.3	76.7	2.3
Reinvested Investment Income	255.3	9.5	285.2	11.6	363.8	10.7
Method of Distribution:						
Broker-Dealer	1,719.2	63.7	1,454.1	59.1	2,092.0	61.5
Direct Sellers	824.5	30.6	884.3	36.0	1,172.5	34.5
No-Load	154.9	5.7	115.7	4.7	135.3	4.0
Other*	0.4	0.0	5.0	0.2	3.2	0.0
Investment Objective:						
Aggressive Growth	7.2	0.3	3.0	0.1	9.8	0.2
Growth	990.6	36.7	782.4	31.8	1,172.4	34.5
Growth-&-Income	983.8	36.5	914.0	37.2	1,251.1	36.8
Balanced	516.1	19.0	562.8	22.9	686.2	20.2
Income	201.3	7.5	196.9	8.0	283.5	8.3
REDEMPTIONS	**$1,122.7**	**100.0%**	**$1,505.3**	**100.0%**	**$1,874.1**	**100.0%**
Type of Redemption:						
Regular Account	NA	NA	NA	NA	NA	NA
Contractual Account	NA	NA	NA	NA	NA	NA
Method of Distribution:						
Broker-Dealer	778.9	69.5	1,022.3	67.9	1,260.8	67.3
Direct Sellers	242.9	21.6	362.7	24.1	440.4	23.5
No-Load	88.0	7.8	106.6	7.1	144.9	7.7
Other*	12.9	1.1	13.7	0.9	28.0	1.5
Investment Objective:						
Aggressive Growth	5.3	0.5	8.0	0.5	7.9	0.4
Growth	435.4	38.8	565.2	37.5	708.1	37.8
Growth-&-Income	438.6	39.0	606.0	40.3	736.4	39.3
Balanced	169.3	15.1	219.5	14.6	282.6	15.1
Income	74.1	6.6	106.6	7.1	139.1	7.4

*Exchange funds and others not currently offering shares; sales represent reinvested dividends.

SALES AND REDEMPTIONS BY FUND CHARACTERISTICS

(In Millions of Dollars)

	1965		1966		1967	
	Dollars	Percent	Dollars	Percent	Dollars	Percent
SALES	$4,358.1	100.0%	$4,671.8	100.0%	$4,669.6	100.0%
Type of Sale:						
Regular Single Payment	2,955.5	67.8	2,992.2	64.0	2,967.2	63.5
Voluntary Accumulation Plan	464.8	10.7	537.4	11.5	577.3	12.4
Contractual Accumulation Plan	355.1	8.1	415.7	8.9	387.4	8.3
Contractual Single Payment	150.5	3.5	237.6	5.1	192.1	4.1
Reinvested Investment Income	432.2	9.9	488.9	10.5	545.6	11.7
Method of Distribution:						
Broker-Dealer	2,892.5	66.4	3,288.2	70.4	3,323.2	71.2
Direct Sellers	1,286.0	29.5	1,156.3	24.8	982.2	21.0
No-Load	178.1	4.1	221.4	4.7	363.5	7.8
Other*	1.5	0.0	5.9	0.1	.7	0.0
Investment Objective:						
Aggressive Growth	7.4	0.2	56.3	1.2	92.8	2.0
Growth	1,503.2	34.5	2,195.4	47.0	2,373.8	50.9
Growth-&-Income	1,668.3	38.3	1,479.0	31.7	1,393.4	29.8
Balanced	768.8	17.6	580.1	12.4	463.6	9.9
Income	410.4	9.4	361.0	7.7	346.0	7.4
REDEMPTIONS	$1,962.4	100.0%	$2,005.1	100.0%	$2,744.2	100.0%
Type of Redemption:						
Regular Account	NA	NA	NA	NA	NA	NA
Contractual Account	NA	NA	NA	NA	NA	NA
Method of Distribution:						
Broker-Dealer	1,305.4	66.5	1,352.5	67.4	1,873.5	68.3
Direct Sellers	482.3	24.6	495.2	24.7	650.2	23.7
No-Load	135.2	6.9	112.2	5.6	156.5	5.7
Other*	39.5	2.0	45.2	2.3	64.0	2.3
Investment Objective:						
Aggressive Growth	4.3	0.2	17.2	0.9	31.2	1.1
Growth	768.3	39.2	765.7	38.2	1,093.2	39.8
Growth-&-Income	724.6	36.9	673.0	33.6	938.0	34.2
Balanced	287.7	14.7	345.8	17.2	496.5	18.1
Income	177.5	9.0	203.4	10.1	185.3	6.8

*Exchange funds and others are not currently offering shares; sales represent reinvested dividends.

SALES AND REDEMPTIONS BY FUND CHARACTERISTICS

(In Millions of Dollars)

	1968		1969		1970	
	Dollars	Percent	Dollars	Percent	Dollars	Percent
SALES	$6,819.8	100.0%	$6,718.3	100.0%	$4,625.8	100.0%
Type of Sale:						
Regular Single Payment	4,770.3	69.9	4,414.3	65.7	2,615.0	56.5
Voluntary Accumulation Plan	856.2	12.6	1,069.7	15.9	812.1	17.5
Contractual Accumulation Plan	415.7	6.1	448.2	6.7	372.7	8.1
Contractual Single Payment	144.7	2.1	97.7	1.5	41.0	.9
Reinvested Investment Income	632.9	9.3	688.4	10.2	785.0	17.0
Method of Distribution:						
Broker-Dealer	5,021.8	73.6	4,889.4	72.8	3,314.5	71.6
Direct Sellers	1,170.2	17.2	1,096.8	16.3	802.8	17.4
No-Load	624.3	9.2	718.3	10.7	500.1	10.8
Other*	3.5	0.0	13.8	0.2	8.4	0.2
Investment Objective:						
Aggressive Growth	754.2	11.1	887.5	13.2	393.1	8.5
Growth	3,373.6	49.5	2,992.5	44.6	1,920.4	41.5
Growth-&-Income	1,605.2	23.5	1,788.5	26.6	1,595.1	34.5
Balanced	422.5	6.2	329.8	4.9	287.8	6.2
Income	664.3	9.7	720.0	10.7	429.4	9.3
REDEMPTIONS	$3,838.7	100.0%	$3,661.6	100.0%	$2,987.6	100.0%
Type of Redemption:						
Regular Account	NA	NA	NA	NA	2,788.3	93.3
Contractual Account	NA	NA	NA	NA	199.3	6.7
Method of Distribution:						
Broker-Dealer	2,725.2	71.0	2,605.9	71.2	2,125.2	71.1
Direct Sellers	822.2	21.4	685.8	18.7	524.7	17.6
No-Load	221.2	5.8	292.4	8.0	209.4	7.0
Other*	70.1	1.8	77.5	2.1	128.3	4.3
Investment Objective:						
Aggressive Growth	98.6	2.6	267.9	7.3	217.3	7.3
Growth	1,748.1	45.5	1,667.1	45.6	1,288.2	43.2
Growth-&-Income	1,086.9	28.3	960.4	26.2	1,008.0	33.7
Balanced	595.7	15.5	411.6	11.2	311.5	10.4
Income	309.4	8.1	354.6	9.7	162.6	5.4

*Exchange funds and others not currently offering shares: sales represent reinvested dividends.

SALES AND REDEMPTIONS BY FUND CHARACTERISTICS

(In Millions of Dollars)

	1971		1972		1973	
	Dollars	Percent	Dollars	Percent	Dollars	Percent
SALES	$5,147.2	100.0%	$4,892.5	100.0%	$4,359.3	100.0%
Type of Sale:						
Regular Single Payment	2,880.6	56.0	3,029.4	61.9	2,609.8	59.8
Voluntary Accumulation Plan	1,110.0	21.6	846.9	17.3	796.6	18.3
Contractual Accumulation Plan	356.9	6.9	291.6	6.0	233.7	5.4
Contractual Single Payment	50.1	1.0	32.5	0.7	10.7	.2
Reinvested Investment Income	749.6	14.5	692.1	14.1	708.5	16.3
Method of Distribution:						
Broker-Dealer	3,804.7	73.9	3,258.8	66.6	2,809.7	64.5
Direct Sellers	728.1	14.2	780.5	16.0	736.8	16.9
No-Load	597.9	11.6	833.1	17.0	808.5	18.5
Other*	16.5	0.3	20.1	0.4	4.3	0.1
Investment Objective:						
Aggressive Growth	446.4	8.6	627.6	12.8	368.1	8.4
Growth	2,093.1	40.6	2,037.5	41.6	2,054.1	47.2
Growth-&-Income	1,768.4	34.4	1,402.4	28.7	1,212.5	27.8
Balanced	270.5	5.3	242.7	5.0	244.5	5.6
Income	568.8	11.1	582.3	11.9	480.1	11.0
REDEMPTIONS	$4,750.2	100.0%	$6,562.9	100.0%	$5,651.1	100.0%
Type of Redemption:						
Regular Account	4,351.6	91.6	6,108.7	93.1	5,272.4	93.3
Contractual Account	398.6	8.4	454.2	6.9	378.7	6.7
Method of Distribution:						
Broker-Dealer	3,334.8	70.2	4,577.4	69.7	3,888.1	68.8
Direct Sellers	936.7	19.7	1,326.8	20.2	1,061.3	18.8
No-Load	339.7	7.2	515.5	7.9	603.8	10.7
Other*	139.0	2.9	143.2	2.2	97.9	1.7
Investment Objective:						
Aggressive Growth	367.5	7.7	576.3	8.8	429.2	7.6
Growth	2,038.2	42.9	2,754.9	42.0	2,223.5	39.4
Growth-&-Income	1,608.0	33.9	2,200.9	33.5	2,012.5	35.6
Balanced	456.8	9.6	643.9	9.8	544.6	9.6
Income	279.7	5.9	386.9	5.9	441.3	7.8

*Exchange funds and others not currently offering shares; sales represent reinvested dividends.

SALES AND REDEMPTIONS BY FUND CHARACTERISTICS

(In Millions of Dollars)

	1974		1975		1976	
	Dollars	Percent	Dollars	Percent	Dollars	Percent
SALES	$3,091.4	100.0%	$3,307.4	100.0%	$4,360.3	100.0%
Type of Sale:						
Regular Single Payment	1,400.6	45.3	1,517.5	45.9	2,056.4	47.2
Voluntary Accumulation Plan	634.4	20.5	674.1	20.4	1,197.3	27.4
Contractual Accumulation Plan	204.3	6.6	170.8	5.2	138.0	3.2
Contractual Single Payment	7.2	0.3	7.8	0.2	7.2	0.2
Reinvested Investment Income	844.9	27.3	937.2	28.3	961.4	22.0
Method of Distribution:						
Broker-Dealer	1,848.5	59.8	1,940.9	58.7	2,328.7	53.4
Direct Sellers	684.1	22.1	745.4	22.5	788.4	18.1
No-Load	556.4	18.0	617.1	18.7	991.8	22.7
Other*	2.4	0.1	4.0	0.1	251.4	5.8
Investment Objective:						
Aggressive Growth	204.3	6.6	263.1	8.0	282.0	6.5
Growth	1,261.8	40.8	1,189.1	36.0	1,145.0	26.2
Growth-&-Income	902.1	29.2	906.5	27.4	1,075.8	24.7
Balanced	223.9	7.2	206.6	6.2	183.0	4.2
Income	499.3	16.2	211.4	6.4	457.0	10.5
Bond**	NA	NA	530.7	16.0	742.0	17.0
Municipal Bond	NA	NA	NA	NA	475.5	10.9
Option Income	NA	NA	NA	NA	NA	NA
REDEMPTIONS	$3,380.8	100.0%	$3,686.4	100.0%	$6,801.2	100.0%
Type of Redemption:						
Regular Account	3,167.6	93.7	3,465.2	94.0	6,344.2	93.3
Contractual Account	213.2	6.3	221.2	6.0	457.0	6.7
Method of Distribution:						
Broker-Dealer	2,298.4	68.0	2,455.7	66.6	4,442.7	65.3
Direct Sellers	586.7	17.3	663.2	18.0	1,382.9	20.3
No-Load	411.5	12.2	494.2	13.4	882.0	13.0
Other*	84.2	2.5	73.3	2.0	93.6	1.4
Investment Objective:						
Aggressive Growth	207.5	6.2	243.1	6.6	420.9	6.2
Growth	1,248.8	36.9	1,421.4	38.5	2,327.5	34.2
Growth-&-Income	1,223.6	36.2	1,321.0	35.8	2,672.8	39.3
Balanced	365.4	10.8	345.8	9.4	567.5	8.3
Income	335.5	9.9	194.0	5.3	499.4	7.3
Bond**	NA	NA	161.1	4.4	288.8	4.3
Municipal Bond	NA	NA	NA	NA	24.3	0.4
Option Income	NA	NA	NA	NA	NA	NA

*Exchange funds and others not currently offering shares; sales represent reinvested dividends.
**Prior to 1975 figures for Bond Funds were included in the Income category.

SALES AND REDEMPTIONS BY FUND CHARACTERISTICS

(In Millions of Dollars)

	1977		1978		1979	
	Dollars	Percent	Dollars	Percent	Dollars	Percent
SALES	$6,399.7	00.0%	$6,705.3	100.0%	$7,465.5	100.0%
Type of Sale:						
Regular Single Payment	3,350.1	52.3	3,411.3	50.9	3,919.6	52.5
Voluntary Accumulation Plan	1,753.5	27.4	1,734.1	25.9	1,896.3	25.4
Contractual Accumulation Plan	137.4	2.2	130.9	1.9	111.2	1.5
Contractual Single Payment	6.2	0.1	3.5	0.1	4.7	0.1
Reinvested Investment Income	1,152.5	18.0	1,425.5	21.2	1,533.7	20.5
Method of Distribution:						
Broker-Dealer	2,596.4	40.6	2,996.6	44.7	2,883.2	44.5
Direct Sellers	922.0	14.4	900.2	13.4	903.8	10.5
No-Load	2,797.5	43.7	2,804.3	41.8	3,673.4	44.9
Other*	83.8	1.3	4.2	0.1	5.1	0.1
Investment Objective:						
Aggressive Growth	407.4	6.4	480.4	7.2	687.4	11.7
Growth	829.1	13.0	1,015.2	15.1	1,171.5	21.8
Growth-&-Income	1,033.6	16.1	1,060.6	15.8	1,062.9	14.7
Balanced	168.4	2.6	239.4	3.6	164.8	1.0
Income	633.0	9.9	649.7	9.7	644.8	8.2
Bond**	983.0	15.4	1,306.8	19.5	1,273.2	14.7
Municipal Bond	2,056.1	32.1	1,812.8	27.0	2,350.4	26.7
Option Income	289.1	4.5	140.4	2.1	110.7	1.2
REDEMPTIONS	$6,026.0	100.0%	$7,232.4	100.0%	$8,379.6	100.0%
Type of Redemption:						
Regular Account	5,606.5	93.0	6,747.6	93.3	7,861.9	93.8
Contractual Account	419.5	7.0	484.8	6.7	517.7	6.2
Method of Distribution:						
Broker-Dealer	3,269.7	54.3	3,684.1	50.9	3,921.0	36.9
Direct Sellers	1,066.4	17.7	1,132.1	15.7	1,410.5	12.8
No-Load	1,615.5	26.8	2,336.7	32.3	2,950.0	49.8
Other*	74.4	1.2	79.5	1.1	98.1	0.5
Investment Objective:						
Aggressive Growth	471.8	7.8	617.0	8.5	774.2	8.4
Growth	1,959.6	32.5	2,051.9	28.4	2,219.4	22.7
Growth-&-Income	1,833.7	30.4	1,928.4	26.7	2,175.8	20.4
Balanced	442.2	7.3	492.3	6.8	516.8	5.3
Income	436.9	7.3	501.0	6.9	626.1	6.1
Bond**	393.1	6.5	513.8	7.1	678.7	7.4
Municipal Bond	479.1	8.0	1,059.3	14.6	1,307.2	28.9
Option Income	9.6	0.2	68.7	1.0	81.4	0.8

*Exchange funds and others not currently offering shares; sales represent reinvested dividends in 1976. There were several offerings of exchange funds which are reflected in the figures.

**Prior to 1975 figures for Bond Funds were included in the Income category.

SALES AND REINVESTED DIVIDENDS BY FUND CHARACTERISTICS 1976-1977

(In Millions of Dollars)

1976	Total Sales	Total Reinvested Dividends	Sales less Reinvested Dividends
Total	$4 360.2	$ 961.2	$3 399.0
Method of Distribution			
Broker Dealer	2 328.6	565.5	1 763.1
Direct Sellers	788.4	291.7	496.7
No-Load	991.8	102.8	889.0
Other*	251.4	1.2	250.2
Investment Objective			
Aggressive Growth	282.0	26.6	255.4
Growth	1 144.9	219.1	925.8
Growth-&-Income	1 075.8	351.6	724.2
Balanced	183.0	134.6	48.4
Income	457.0	120.2	336.8
Bond	742.0	104.9	637.1
Municipal Bond	475.5	4.2	471.3
1977			
Total	$6 399.7	$1 152.5	$5 247.2
Method of Distribution			
Broker Dealer	2 596.4	588.8	2 007.4
Direct Sellers	922.0	327.7	594.3
No-Load	2 797.5	232.7	2 564.8
Other*	83.8	3.3	80.7
Investment Objective			
Aggressive Growth	407.4	32.4	375.0
Growth	829.1	252.6	576.5
Growth-&-Income	1 033.6	372.2	661.4
Balanced	168.4	130.0	38.4
Income	633.0	149.3	483.7
Bond	983.0	155.7	827.3
Municipal Bond	2 056.1	57.1	1 999.0
Option Income	289.1	3.2	285.9

SALES AND REINVESTED DIVIDENDS BY FUND CHARACTERISTICS 1978-1979

(In Millions of Dollars)

1978	Total Sales	Total Reinvested Dividends	Sales less Reinvested Dividends
Total	$6,705.3	$1,425.5	$5,279.8
Method of Distribution			
Broker Dealer	2,996.6	750.9	2,245.7
Direct Sellers	900.2	351.2	549.0
No-Load	2,804.3	319.6	2,484.7
Other*	4.2	3.8	0.4
Investment Objective			
Aggressive Growth	480.4	38.3	442.1
Growth	1,015.2	301.4	713.8
Growth-&-Income	1,060.6	411.2	649.4
Balanced	239.4	204.1	35.3
Income	649.7	167.9	481.8
Bond	1,306.8	182.3	1,124.5
Municipal Bond	1,812.8	103.0	1,709.8
Option Income	140.4	17.3	123.1
1979			
Total	$7,465.5	$1,533.7	$5,931.8
Method of Distribution			
Broker Dealer	2,883.2	748.4	2,134.8
Direct Sellers	903.8	386.5	517.3
No-Load	3,673.4	393.7	3,279.7
Other	5.1	5.1	0.0
Investment Objective			
Aggressive Growth	678.2	51.3	635.9
Growth	1,171.5	309.6	861.9
Growth-&-Income	1,062.8	436.9	625.9
Balanced	164.8	132.4	32.4
Income	644.8	199.8	445.0
Bond	1,273.2	256.3	1,016.9
Municipal Bond	2,350.4	129.9	2,220.5
Option Income	110.8	17.5	93.3

SALES AND REDEMPTIONS OF MUTUAL FUNDS BY INVESTMENT OBJECTIVE WITHIN METHOD OF DISTRIBUTION

1975-1979

(In Millions of Dollars)

	Aggressive Growth	Growth	Growth-&-Income	Balanced	Income	Bond	Municipal Bond	Option Income	Total
				TOTAL SALES					
				Broker-Dealer					
1975	$ —	$ 810.5*	$ 593.9	$ 88.6	$448.5*	$ —	$ —	$ —	$1941.5
1976	144.3	527.0	717.5	76.4	300.4	397.1	166.1	—	2328.8
1977	238.7	352.0	627.0	45.2	411.3	453.8	179.5	289.1	2596.6
1978	175.8	496.8	707.7	120.2	359.8	842.3	154.5	139.5	2996.6
1979	184.0	545.0	699.1	45.9	344.1	812.3	157.9	94.9	2883.2
				Direct Sellers					
1975	—	206.9*	247.6	97.9	192.9*	—	—	—	745.3
1976	43.8	148.3	204.8	66.4	89.6	211.9	3.4	—	768.4
1977	32.1	126.2	185.6	82.8	109.3	314.1	69.2	—	921.9
1978	29.5	112.2	171.4	78.3	114.8	321.2	72.8	—	900.2
1979	40.5	112.3	134.3	76.2	126.6	320.1	91.8	—	903.8
				No-Load					
1975	—	434.8*	65.1	18.1	98.6*	—	—	—	616.6
1976	93.4	325.2	46.0	20.6	66.9	133.3	306.0	—	991.4
1977	106.8	348.2	137.7	40.7	112.2	214.5	1,801.4	—	2,797.5
1978	274.9	404.9	179.2	48.2	175.3	143.6	1,585.5	0.7	2,804.3
1979	462.6	513.6	225.2	40.7	174.3	140.6	2,100.6	15.8	3,673.4
				REDEMPTIONS					
				Broker-Dealer					
1975	—	1,091.5*	938.1	153.0	270.7*	—	—	—	2,455.6
1976	240.8	1,439.1	1,939.4	255.0	363.1	192.7	9.6	—	4,442.7
1977	251.3	1,074.1	1,266.5	135.9	289.4	216.3	26.6	9.6	3,269.7
1978	287.4	1,140.2	1,348.5	196.3	301.2	271.5	70.4	68.9	3,684.1
1979	270.4	1,186.4	1,438.6	150.6	317.0	396.7	64.4	76.4	3,921.0
				Direct Sellers					
1975	—	213.9*	272.8	136.2	40.4*	—	—	—	663.3
1976	76.0	347.9	543.6	260.3	96.3	58.4	—	—	1,382.5
1977	70.1	290.7	340.4	195.0	61.2	84.1	3.4	—	1,044.9
1978	74.5	285.6	390.5	181.9	93.4	128.0	16.2	—	1,170.1
1979	83.4	297.2	416.2	233.6	160.5	186.6	31.0	—	1,410.5
				No-Load					
1975	—	252.2*	61.2	31.1	29.9*	—	—	—	494.4
1976	98.1	503.4	107.3	51.1	39.1	37.6	14.7	—	851.9
1977	147.6	589.9	159.4	110.4	66.2	92.9	449.1	—	1,615.5
1978	292.0	619.3	159.7	114.9	136.3	114.5	970.6	9.3	2,336.7
1979	416.9	725.8	207.9	132.2	148.5	93.4	1,121.7	4.9	2,950.0

*Prior to 1977, aggressive growth funds were included with growth funds.

Totals may not add due to rounding.

TOTAL NET ASSETS OF MUTUAL FUNDS
BY INVESTMENT OBJECTIVE WITHIN METHOD OF DISTRIBUTION
1975-1979

(In Millions of Dollars)

	Aggressive Growth	Growth	Growth-&-Income	Balanced	Income	Bond	Municipal Bond	Option Income	Total
				Broker-Dealer					
1975	$ —	$2,275.4*	$ 7,755.8	$5,401.7	$11,863.2*	$ —	$ —	$ —	$27,296.1
1976	1,194.6	8,079.4	13,076.0	2,286.5	3,282.1	1,994.3	173.5	—	30,088.4
1977	1,265.0	6,414.6	11,072.7	1,243.8	2,905.9	2,143.2	362.8	337.1	25,745.1
1978	1,250.0	6,256.0	10,700.8	1,147.6	2,845.3	2,586.1	490.7	408.1	25,684.6
1979	1,557.4	6,553.5	11,075.1	1,105.0	2,140.3	2,805.7	542.4	454.4	26,233.8
				Direct Sellers					
1975	—	1,021.9*	1,824.2	448.1	6,011.6*	—	—	—	9,305.8
1976	491.3	2,319.5	3,158.0	2,241.4	1,001.2	950.1	6.8	—	10,168.3
1977	435.4	1,814.2	2,591.3	1,910.1	917.3	1,308.0	160.6	—	9,136.9
1978	411.0	1,692.4	2,131.5	1,706.3	1,131.5	1,545.0	234.4	—	8,852.1
1979	428.4	1,673.8	2,010.7	1,508.0	1,077.3	1,691.0	331.0	—	8,720.2
				No-Load					
1975	—	590.8*	2,030.5	867.4	1,112.9*	—	—	—	4,601.6
1976	494.3	3,243.8	948.7	358.6	306.4	309.1	366.0	—	6,026.9
1977	489.5	3,272.8	1,429.5	955.0	541.1	548.0	1,752.9	—	8,988.8
1978	642.0	3,511.8	1,547.5	868.7	567.8	569.1	1,894.5	10.8	9,612.2
1979	944.0	4,613.1	2,285.6	825.1	1,324.5	589.7	2,450.5	14.6	13,047.2

*Prior to 1976, figures for aggressive growth funds are included in the growth fund category and figures for bond funds are included in the income fund category.

TOTAL PURCHASES, TOTAL SALES AND NET PURCHASES OF PORTFOLIO SECURITIES BY MUTUAL FUNDS

(Excluding U.S. Government Securities)
Annually, **1963-1979**
(In Millions of Dollars)

Year	Total Purchases	Total Sales	Net Purchases
1963	$ 4,362.5	$ 3,602.7	$ 759.9
1964	5,339.7	4,257.2	1,082.5
1965	7,571.0	6,001.8	1,569.2
1966	11,519.5	10,166.8	1,352.8
1967	16,317.8	14,821.4	1,496.4
1968	22,012.5	20,104.5	1,908.0
1969	24,914.9	22,255.5	2,659.4
1970	20,405.0	18,588.5	1,816.5
1971	25,360.2	24,793.8	566.4
1972	24,467.6	25,823.6	(1,356.1)
1973	19,706.6	21,902.0	(2,196.4)
1974	12,299.7	12,213.5	86.2
1975	15,396.9	15,511.4	(114.5)
1976	15,348.2	16,881.2	(1,533.0)
1977	18,168.0	19,420.7	(1,252.7)
1978	20,945.6	23,069.7	(2,124.1)
1979	22,412.1	23,702.5	(1,290.4)

NOTE: Parentheses indicate net sales

TOTAL PURCHASES, TOTAL SALES AND NET PURCHASES OF COMMON STOCKS BY MUTUAL FUNDS

Annually, 1963-1979
(In Millions of Dollars)

Year	Total Purchases	Total Sales	Net Purchases
1963	$ 4,010.1	$ 3,232.4	$ 777.7
1964	4,768.1	3,884.5	883.7
1965	6,530.1	5,166.2	1,363.9
1966	10,363.5	9,319.9	1,043.6
1967	14,926.0	13,325.5	1,600.5
1968	20,101.9	18,495.5	1,606.4
1969	22,059.4	19,852.5	2,206.9
1970	17,127.6	15,900.8	1,266.9
1971	21,557.7	21,175.1	382.5
1972	20,943.5	22,552.8	(1,609.4)
1973	15,560.7	17,504.4	(1,943.7)
1974	9,085.3	9,372.1	(286.8)
1975	10,948.7	11,902.3	(953.6)
1976	10,729.1	13,278.3	(2,549.2)
1977	8,704.7	12,211.3	(3,506.6)
1978	12,832.9	14,454.7	(1,621.8)
1979	13,089.0	15,923.0	(2,834.0)

NOTE: Parentheses indicate net sales.

TOTAL PURCHASES, TOTAL SALES AND NET PURCHASES OF SECURITIES OTHER THAN COMMON STOCKS BY MUTUAL FUNDS

(Excluding U.S. Government Securities)
Annually, 1963-1979
(In Millions of Dollars)

Year	Total Purchases	Total Sales	Net Purchases
1963	$ 352.4	$ 370.3	$ (17.9)
1964	571.6	372.8	198.8
1965	1,040.9	835.7	205.3
1966	1,156.1	846.9	309.2
1967	1,391.8	1,495.9	(104.1)
1968	1,910.6	1,609.0	301.6
1969	2,855.5	2,403.0	452.5
1970	3,277.4	2,687.7	589.7
1971	3,802.5	3,618.6	183.9
1972	3,524.1	3,270.9	253.3
1973	4,145.9	4,398.7	(252.8)
1974	3,214.4	2,841.4	373.0
1975	4,448.2	3,609.1	839.1
1976	4,619.1	3,602.9	1,016.2
1977	9,463.3	7,209.4	2,253.9
1978	8,112.7	8,615.0	(502.3)
1979	9,323.1	7,779.5	1,543.6

NOTE: Parentheses indicate net sales.

PORTFOLIO PURCHASES AND SALES BY FUND CHARACTERISTICS

(In Millions of Dollars)

	1971		1972		1973	
	Purchases	Sales	Purchases	Sales	Purchases	Sales
ALL SECURITIES	$25,360.2	$24,793.8	$24,467.6	$25,823.6	$19,706.6	$21,903.0
Method of Distribution:						
Broker-Dealer	17,737.3	17,045.2	16,020.3	17,302.6	14,081.9	16,232.5
Direct Selling	5,679.2	6,004.9	6,103.6	6,316.2	3,410.8	3,605.1
No-Load	1,482.2	1,238.6	2,036.6	1,853.0	1,884.2	1,673.6
Other*	461.5	505.1	307.1	351.8	329.7	391.8
Investment Objective:						
Aggressive Growth	2,540.8	2,642.3	2,596.8	2,465.8	1,847.9	1,986.9
Growth	9,834.3	9,614.3	9,350.0	10,064.1	7,227.9	7,721.5
Growth-&-Income	8,889.9	8,679.1	8,614.5	9,155.5	5,757.9	7,079.5
Balanced	2,390.9	2,450.8	1,852.8	2,373.6	2,252.9	2,507.9
Income	1,704.3	1,407.3	2,053.5	1,764.6	2,620.0	2,607.2
COMMON STOCK ONLY	$21,557.7	$21,175.1	$20,943.5	$22,552.8	$15,560.7	$17,504.4
Method of Distribution:						
Broker-Dealer	14,462.5	14,087.0	13,389.8	14,744.9	10,567.1	12,364.4
Direct Selling	5,302.6	5,493.0	5,454.0	5,931.3	3,062.8	3,342.6
No-Load	1,351.3	1,122.7	1,809.4	1,545.2	1,659.2	1,466.2
Other*	441.3	472.4	290.3	331.4	271.6	331.2
Investment Objective:						
Aggressive Growth	2,539.2	2,377.5	2,539.7	2,378.6	1,802.3	1,926.7
Growth	8,673.7	8,265.4	8,884.1	9,507.6	6,851.3	7,357.4
Growth-&-Income	7,787.4	7,899.1	7,516.6	8,195.6	5,033.5	6,160.4
Balanced	1,790.0	1,826.8	1,297.4	1,830.3	1,164.0	1,370.5
Income	767.4	806.3	705.7	640.7	709.6	689.4

*Exchange funds and others not currently offering shares

PORTFOLIO PURCHASES AND SALES BY FUND CHARACTERISTICS

(In Millions of Dollars)

	1974A		1975A		1976A	
	Purchases	Sales	Purchases	Sales	Purchases	Sales
ALL SECURITIES	**$12,279.2**	**$12,152.9**	**$15,299.0**	**$15,478.6**	**$15,237.6**	**$16,758.8**
Method of Distribution:						
Broker-Dealer	9,248.6	9,343.6	11,481.0	11,857.7	10,560.5	11,836.6
Direct Selling	1,705.5	1,637.6	2,222.9	2,241.2	2,413.2	2,970.3
No-Load	1,098.0	916.2	1,446.6	1,196.9	2,175.0	1,842.0
Other*	227.1	255.5	148.5	182.8	88.9	109.9
Investment Objective:						
Aggressive Growth	1,044.5	1,020.5	1,397.9	1,375.8	572.8	1,326.4
Growth	4,618.3	4,607.0	5,443.0	5,411.1	1,790.9	5,245.7
Growth-&-Income	3,385.8	3,421.8	4,042.1	4,701.5	1,949.9	5,569.1
Balanced	1,222.1	1,328.4	1,430.8	1,513.1	967.8	1,353.2
Income	2,008.5	1,775.2	1,450.5	1,403.3	4,463.4	2,044.3
Bond**	N/A	N/A	1,534.7	1,073.8	4,090.9	1,157.8
Municipal Bond	N/A	N/A	N/A	N/A	1,401.9	62.3
Option Income	N/A	N/A	N/A	N/A	N/A	N/A
COMMON STOCK ONLY	**$9,069.0**	**$9,322.7**	**$10,898.3**	**$12,119.8**	**$10,661.3**	**$13,192.0**
Method of Distribution:						
Broker-Dealer	6,571.3	6,867.5	8,019.9	9,165.9	7,657.6	9,075.7
Direct Selling	1,276.8	1,386.6	1,534.8	1,715.8	1,530.7	2,417.9
No-Load	999.4	817.0	1,199.7	1,058.6	1,389.9	1,589.4
Other*	221.5	251.6	143.9	179.5	83.1	109.0
Investment Objective:						
Aggressive Growth	1,006.9	998.0	1,304.3	1,496.2	1,371.8	1,305.0
Growth	4,294.7	4,366.6	5,162.7	5,137.6	3,887.1	5,031.3
Growth-&-Income	2,933.0	3,001.0	3,265.7	4,151.1	3,915.6	5,006.3
Balanced	467.5	611.9	604.7	607.0	408.8	707.5
Income	366.9	345.2	485.2	636.6	958.8	1,065.1
Bond**	N/A	N/A	75.7	91.3	83.6	66.5
Municipal Bond	N/A	N/A	N/A	N/A	35.6	10.3
Option Income	N/A	N/A	N/A	N/A	N/A	N/A

*Exchange funds and others not currently offering shares.

**Prior to 1975 figures for Bond Funds were included in the Income category.

A Totals for these years will be slightly less than the totals in the preceding tables because some funds only report portfolio activity on a quarterly basis. Figures in this table are computed monthly.

PORTFOLIO PURCHASES AND SALES BY FUND CHARACTERISTICS

(In Millions of Dollars)

	1977		1978		1979	
	Purchases	Sales	Purchases	Sales	Purchases	Sales
ALL SECURITIES	$18,168.0	$19,420.7	$20,945.6	$23,069.7	$22,412.1	$23,702.5
Method of Distribution:						
Broker-Dealer	10,851.9	12,577.1	12,641.4	13,726.7	12,009.8	13,123.5
Direct Selling	2,509.4	2,868.9	2,737.6	3,320.5	3,383.0	3,868.0
No-Load	4,728.0	3,861.5	5,395.2	5,847.5	6,806.1	6,413.5
Other*	78.7	113.2	171.4	175.0	213.2	297.5
Investment Objective:						
Aggressive Growth	1,403.1	1,705.8	1,643.6	1,887.9	1,892.4	2,029.8
Growth	3,597.6	5,251.2	4,717.7	6,008.1	5,214.7	6,207.6
Growth-&-Income	4,350.1	5,664.1	5,105.7	5,817.6	5,130.2	6,422.9
Balanced	1,030.6	1,475.4	1,100.7	1,496.6	1,164.6	1,572.9
Income	2,279.3	2,253.3	2,911.4	2,945.8	2,247.1	2,325.4
Bond**	2,756.5	2,091.5	2,479.6	2,387.7	3,472.5	2,854.9
Municipal Bond	2,377.6	871.4	2,417.9	2,019.4	2,789.8	1,796.6
Option Income	373.2	108.0	569.0	506.6	500.8	492.4
COMMON STOCK ONLY	$8,704.7	$12,211.3	$12,832.9	$14,454.7	$13,089.0	$15,923.0
Method of Distribution:						
Broker-Dealer	5,968.7	8,040.8	8,303.7	9,[illegible]	7,365.2	8,974.2
Direct Selling	1,039.2	1,788.9	1,747.8	2,220.0	1,640.4	2,622.4
No-Load	1,625.5	2,276.9	2,612.6	2,926.3	3,656.9	4,039.1
Other*	71.3	104.7	168.8	170.4	206.5	287.3
Investment Objective:						
Aggressive Growth	1,049.7	1,340.3	1,509.7	1,723.7	1,675.4	1,848.4
Growth	3,104.1	4,855.0	4,487.2	5,685.4	4,964.7	5,915.4
Growth-&-Income	2,953.2	4,326.6	4,415.2	4,708.6	4,325.1	5,622.7
Balanced	357.6	622.2	574.9	792.2	569.7	945.6
Income	855.7	944.1	1,183.7	993.8	973.9	1,037.9
Bond**	77.3	62.6	112.3	105.0	92.7	94.9
Municipal Bond	0.0	0.0	0.0	0.0	0.0	0.0
Option Income	307.1	60.5	549.9	446.0	487.5	458.1

*Exchange funds and others not currently offering shares.

**Prior to 1975 figures for Bond Funds were included in the Income category.

A Totals for these years will be slightly less than the totals in the preceding tables because some funds only report portfolio activity on a quarterly basis. Figures in this table are computed monthly.

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